



## *Pinellas Suncoast Fire & Rescue*

304 FIRST STREET  
INDIAN ROCKS BEACH, FLORIDA 33785-2508

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[www.psfrd.org](http://www.psfrd.org)

### **PINELLAS SUNCOAST FIRE & RESCUE DISTRICT**

### **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL  
YEAR ENDED SEPTEMBER 30, 2011**

**Davidson, Jamieson & Cristini, P.L.**  
*Certified Public Accountants*

**COMPREHENSIVE**  
**ANNUAL FINANCIAL REPORT**  
**OF**  
**PINELLAS SUNCOAST FIRE & RESCUE DISTRICT**  
**FOR THE**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2011**

**PREPARED BY THE**  
**FINANCE DIRECTOR**

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

BOARD OF FIRE COMMISSIONERS

James G. Mortellite, Chairman

Larry Schear  
Vice Chairman

Daniel R. Madura  
Fire Commissioner

Frank Hartzel  
Secretary/Treasurer

Thomas H. Hafner  
Fire Commissioner

Fire Chief

Finance Director

Robert O. Polk

David Martin

## **INTRODUCTORY SECTION**

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

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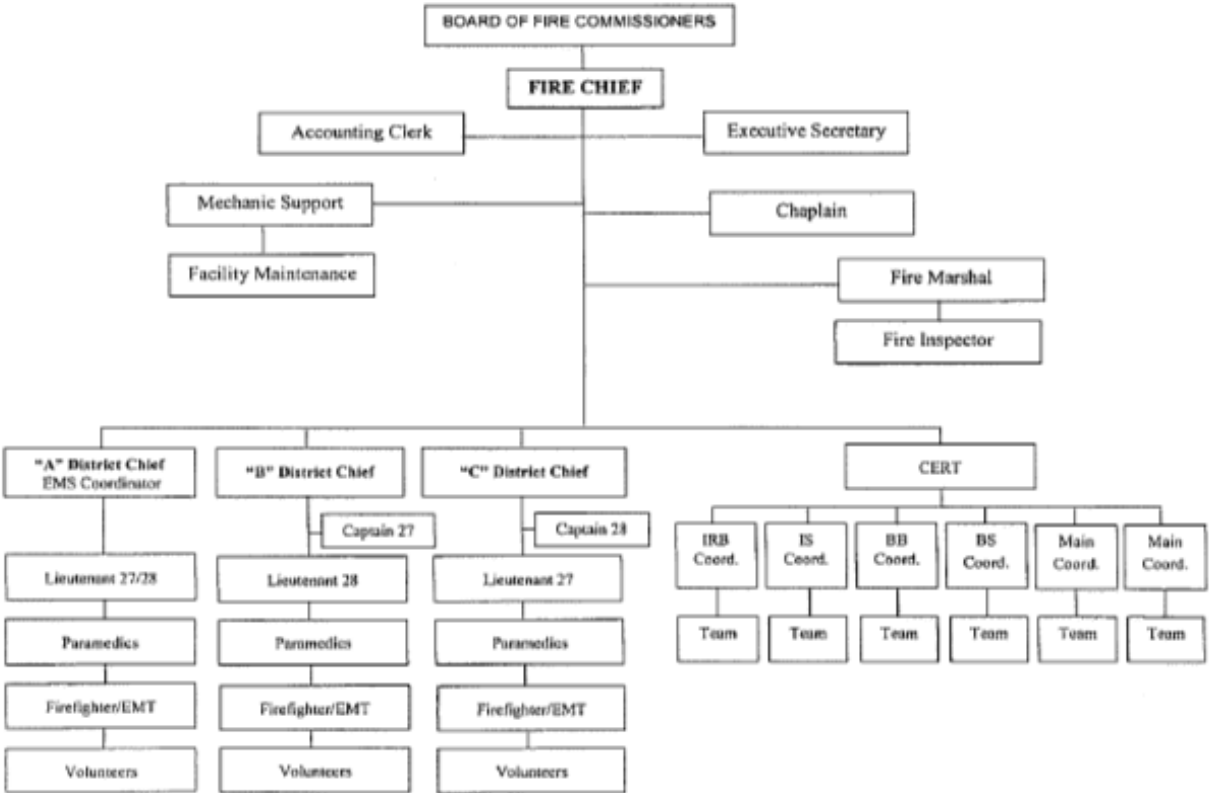
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**PINELLAS SUNCOAST FIRE & RESCUE DISTRICT  
ORGANIZATIONAL STRUCTURE**



PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

LISTING OF DISTRICT OFFICIALS

ELECTED OFFICIALS

Commissioner	Frank Hartzel
Commissioner	Thomas H. Hafner
Commissioner	Daniel R. Madura
Commissioner	Larry Schear
Commissioner	James G. Mortellite

APPOINTED OFFICIALS

Fire Chief	Robert O. Polk
Attorney	Jeff Albinson

FIRE MASHALL

David Martin

## **FINANCIAL SECTION**

*This section contains the following subsections:*

Independent Auditor's Report

Management's Discussion and Analysis

Basic Financial Statements

General Fund Financial Statements

**INDEPENDENT AUDITOR'S REPORT**

**Davidson, Jamieson & Cristini, P.L.**  
**Certified Public Accountants**

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Dunedin, Florida 34698-2503  
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FAX (727) 733-3487

Members of the Firm  
John N. Davidson, CPA, CVA  
Harry B. Jamieson, CPA  
Richard A. Cristini, CPA, CPPT, CGFM

Member  
American Institute of  
Certified Public Accountants  
Florida Institute of  
Certified Public Accountants

Board of Fire Commissioners  
Pinellas Suncoast Fire & Rescue District  
Indian Rocks Beach, Florida

**INDEPENDENT AUDITOR'S REPORT**

We have audited the accompanying financial statements of the governmental activities, each major fund, the budgetary comparisons for the general fund and the aggregate remaining fund information of the Pinellas Suncoast Fire & Rescue District, as of and for the year ended September 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Pinellas Suncoast Fire & Rescue District, as of September 30, 2011, and the respective changes in financial position thereof and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 30, 2012 on our consideration of the Pinellas Suncoast Fire & Rescue District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Board of Fire Commissioners  
Pinellas Suncoast Fire & Rescue District

The *accompanying management's discussion and analysis* on pages 3 through 11 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The *accompanying introductory section, individual general fund financial statements, schedules and statistical tables* are presented for purposes of additional analysis and are not a required part of the basic financial statements. The *individual general fund financial statements and schedules* have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The *introductory section and statistical tables* have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly we express no opinion on them.

*Davidson, Jamieson & Crestine, P.L.*

March 30, 2012

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

# PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

## Management's Discussion and Analysis

September 30, 2011

As management of the Pinellas Suncoast Fire & Rescue District (district), we offer readers of the district's financial statements this narrative overview and analysis of the district's financial activities for the fiscal year ended September 30, 2011.

### FINANCIAL HIGHLIGHTS

- (A) The assets of the district exceeded its liabilities at the close of the 2011 fiscal year by \$3,031,257 (*net assets*). Of this amount, \$1,486,632 (*unrestricted net assets*) may be used to meet the district's ongoing obligations to property owners and creditors.
- (B) The district's net assets decreased by \$32,123. The primary cause of this decrease is due to another EMS funding cut-back that amounted to \$392.6K (42%) less than the previous year. This decreased funding was offset by approved budget reductions, a Pinellas County Tax Collector sale of tax certificates in the amount of \$101k, stringent cost management and reducing the adopted operating expense budget disbursements by \$135k to bridge the gap between the revenue reduction and routine fixed expense outlays.
- (C) As of the close of the 2011 fiscal year, the district's governmental funds (general and capital projects funds) reported an ending fund balance of \$2,268,850. An increase of \$233,146 in comparison with the prior year. Approximately \$1,991,187 is available for spending at the district's discretion.
- (D) The district entered into a seven year lease in fiscal year 2010 for the replacement of a "Pumper" fire truck. Outstanding obligation, which includes compensated absences, obligations for post-employment healthcare and the seven year lease at the end of fiscal year 2011 is \$837,956.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an 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, using accounting methods similar to a private-sector business. These statements include all assets and liabilities on the accrual basis of accounting. All current year revenues and expenses are taken into account regardless of when the cash is received or paid.



# PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

## Management's Discussion and Analysis

September 30, 2011

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

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

The government-wide financial statements should distinguish functions of the Pinellas Suncoast Fire & Rescue District (district) that are principally supported by the district's residents and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). All of the district's activities are governmental. The district is the *primary government* and has no component units.

The government-wide financial statements can be found on pages 12 and 13 of this report.

### **Fund Financial Statements**

Traditional users of government financial statements will find the fund financial statement presentation more familiar. The fund financial statements provide more information about the District's general fund - not the District as a whole.

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's funds consist of the general fund and the capital projects fund categories.

***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 government's near-term financing requirements.

# PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

## Management's Discussion and Analysis September 30, 2011

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 balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The district maintains two governmental funds, its general fund and a capital projects fund. These funds are presented in the governmental fund balance sheets and in the governmental fund statement of revenues, expenditures, and changes in fund balances.

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

The basic governmental fund financial statements can be found on pages 14 through 18 of this report.

### **Fiduciary Funds**

Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are *not* reflected in the government-wide financial statements because resources of those funds are *not* available to support the district's own programs. Accounting used for fiduciary funds is much like that used for the government-wide financial statements.

The District had no fiduciary funds in 2011.

### **Notes to the financial statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 19 through 50 of this report.

### **Other information**

Individual general fund financial statements and schedules can be found on pages 51 - 75 of this report.

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

Management's Discussion and Analysis  
September 30, 2011

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the district's case, assets exceeded liabilities by \$3,031,257 at the fiscal year ended on September 30, 2011.

The district's capital assets represent investments in land, buildings and improvements and equipment. Approximately 53% of the total net assets are capital assets. The district uses these capital assets to provide services to its citizens and property owners, consequently, these assets are not available for future spending. Although the district's investment in its capital assets is reported net of related debt, it should be noted that the district has no debt outstanding and the capital assets themselves cannot be used to liquidate general operating liabilities.

The *unrestricted* category of net assets, with a balance of \$1,486,632 at year end, may be used to meet the district's ongoing obligations to citizens and creditors and is shown in the following schedule:

	<u>Governmental Activities</u>	
	<u>2011</u>	<u>2010</u>
Cash	\$ 1,791,886	\$ 1,527,950
Other current assets	625,189	674,609
Capital assets, net	1,603,706	1,803,488
<b>Total Assets</b>	<u>4,020,781</u>	<u>4,006,047</u>
Long-term liabilities	680,242	624,079
Other liabilities	309,282	318,588
<b>Total liabilities</b>	<u>989,524</u>	<u>942,667</u>
Net Assets:		
Capital assets	1,266,962	1,420,348
Capital projects	277,663	260,092
Unrestricted	1,486,632	1,382,940
<b>Total Net Assets</b>	<u>\$ 3,031,257</u>	<u>\$ 3,063,380</u>

The district continues to report a positive balance in net assets. Although capital assets were reduced from the sale of the reserve engine and EMS funding decreased again by 42% (\$392.6k), net assets only decreased slightly by \$32,123 from the previous fiscal year. Despite the decline in EMS funding, the district managed to significantly reduce the impact through enhancing the fire prevention program's revenue stream and a continued focus on diligent expense management through cost cuts and realignments.

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

Management's Discussion and Analysis  
September 30, 2011

**Governmental activities.** As the district has no business-type activities, governmental activities were responsible for decreasing the district's net assets. The decrease is primarily attributed to the 42% decrease in EMS funding of \$393k. This decrease was offset with the proceeds of the engine sale (\$22k), the district's fire prevention program revenue increase from the previous year (\$45K), increased assessment revenue collections (\$146k) and expenditure reductions. In addition, capital expenditures were kept to an absolute minimum throughout the entire fiscal year.

**Pinellas Suncoast Fire & Rescue District's Change in Net Assets**

	Governmental Activities	
	2011	2010
Program Revenues:		
Charges for services	\$ 92,353	\$ 47,191
Operating and capital contributions	-	-
<b>Total Program Revenues</b>	<b>92,353</b>	<b>47,191</b>
General Revenues:		
Property assessments	3,595,772	3,449,661
Impact fees	8,608	12,276
Investment earnings	26,043	25,095
Intergovernmental revenue	549,606	940,828
Other	94,647	74,452
<b>Total General Revenues</b>	<b>4,274,676</b>	<b>4,502,312</b>
<b>Total Program and General Revenues</b>	<b>4,367,029</b>	<b>4,549,503</b>
<b>Expenses</b>		
Public Safety - Fire and EMS Protection	4,399,152	4,445,672
<b>Total Expenses</b>	<b>4,399,152</b>	<b>4,445,672</b>
Increase (decrease) in net assets	(32,123)	103,831
Net assets, beginning of year	3,363,380	2,959,549
<b>Net assets, end of year</b>	<b>\$ 3,031,257</b>	<b>\$ 3,063,380</b>

# PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

## Management's Discussion and Analysis September 30, 2011

### **Financial Analysis of the District's Funds**

As noted earlier, the district uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

The general fund is the district's chief operating fund. At the end of the current fiscal year, the unassigned fund balance of the general fund was \$698,012. As a measure of the general fund's liquidity, it may be useful to compare the unassigned fund balance to total fund expenditures. The unassigned fund balance represents 17% of total general fund expenditures.

Total fund balance of the General Revenue Fund increased \$215,575 during the current fiscal year. Key factors in this increase are as follows:

- The implementation of a formal Plan & Inspection Fee invoicing and collection program that included recovery of prior year unpaid inspection fees, produced results that far exceeded expectations. Resulting earned revenues exceeded the adopted budget by \$46k.
- The district benefited from focused cash flow management program that produced an increase in interest and investment income that surpassed the adopted budget by 132% resulting in an additional \$9.6k of surplus earnings.
- A determined effort to minimize our expense base through sound management of purchase commitments and constant review for cost reduction opportunities, resulted in appending \$135k below the adopted budget that complimented the increases in income streams.

### **General Fund Budgetary Highlights**

An annual budget is legally adopted for the general fund and was amended once during 2011 to reflect a reduction in capital expenditures that were deferred to a future date.

Property assessment income and EMS funding represented 95% of the district's total revenue as compared to 99% last year. The 4% differential reflects the improvements in other complimentary income streams.

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

Management's Discussion and Analysis  
September 30, 2011

**General Fund Budgetary Highlights (Continued)**

A change in accounting was implemented during the year to record gross non-ad valorem assessments before payment discounts rather than net as was done in the past. This resulted in a favorable budget variance in revenues and an offsetting unfavorable budget variance in expenditures. The overall effect of income stream improvements and expense reductions resulted in an excess of revenue over expenditures that exceeded the adopted budget surplus by \$157.6k and increasing the total fund balance by \$215.6k.

**Fiscal Year 2011 Budget - General Fund**

	2011			2010
	Budget (Final)	Actual	Variance	Actual
Revenues:				
Property Assessments	\$ 3,500,000	\$ 3,595,772	\$ 95,772	\$ 3,449,661
Other	601,236	799,647	198,411	1,513,272
<b>Total Revenues</b>	4,101,236	4,395,419	294,183	4,962,933
Expenditures:				
General government:				
Public Safety - Fire and EMS	4,043,219	4,179,844	(136,625)	4,767,363
<b>Net change in fund balance</b>	<b>\$ 58,017</b>	<b>\$ 215,575</b>	<b>\$ 157,558</b>	<b>\$ 195,570</b>

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

Management's Discussion and Analysis  
September 30, 2011

**Fiscal Year 2010 Budget - General Fund**

	2010			2009
	Budget (Final)	Actual	Variance	Actual
Revenues:				
Property Assessments	\$ 3,555,669	\$ 3,449,661	\$ (106,008)	\$ 2,665,955
Other	<u>1,005,021</u>	<u>1,531,272</u>	<u>508,251</u>	<u>1,819,660</u>
<b>Total Revenues</b>	4,560,690	4,962,933	402,243	4,467,695
Expenditures:				
General government:				
Public Safety - Fire and EMS	<u>4,758,086</u>	<u>4,767,363</u>	<u>(9,277)</u>	<u>4,528,865</u>
<b>Net change in fund balance</b>	<u>\$ (197,396)</u>	<u>\$ 195,570</u>	<u>\$ 392,966</u>	<u>\$ (61,170)</u>

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PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

Management's Discussion and Analysis  
September 30, 2011

**Capital Assets**

At the end of 2011, the district's investment in capital assets for its governmental activities was \$1,603,706 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements and equipment.

**Change in Capital Assets - Governmental Activities**

	2011			2010
	Beginning Balance	Net Additions/ (Deletions)	Ending Balance	Ending Balance
Land	\$ 61,000	\$ -	\$ 61,000	\$ 61,000
Buildings and improvements	349,350	-	349,350	349,350
Equipment	2,481,884	(192,243)	2,289,641	2,481,884
Total capital assets	2,892,234	(192,243)	2,699,991	2,892,234
Less accumulated depreciation	(1,088,746)	(7,539)	(1,096,285)	(1,088,746)
Capital assets, net	<u>\$ 1,803,488</u>	<u>\$ (199,782)</u>	<u>\$ 1,603,706</u>	<u>\$ 1,803,488</u>
	2010			2009
	Beginning Balance	Net Additions/ (Deletions)	Ending Balance	Ending Balance
Land	\$ 61,000	\$ -	\$ 61,000	\$ 61,000
Buildings and improvements	369,300	(19,950)	349,350	369,300
Equipment	2,153,143	328,741	2,481,884	2,153,143
Total capital assets	2,583,443	308,791	2,892,234	2,583,443
Less accumulated depreciation	(1,127,390)	38,644	(1,088,746)	(1,127,390)
Capital assets, net	<u>\$ 1,456,053</u>	<u>\$ 347,435</u>	<u>\$ 1,803,488</u>	<u>\$ 1,456,053</u>



# PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

## Management's Discussion and Analysis September 30, 2011

### **Total Capital**

Additional information on the district's capital assets can be found in note 7 on page 37 of this report.

### **LONG-TERM DEBT**

At the end of 2011, the district had total long-term debt outstanding made up of a capital lease obligation, a post-employment health care obligation and accrued sick and vacation pay totaling \$837,946.

More detailed information about the district's long-term debt can be found in note 8 on page 42 of this report.

### **ECONOMIC FACTORS**

The district's board of commissioners approved a \$4,191,212 budget for the 2012 fiscal year. This is a 4% increase providing for the addition of a full-time EMS coordinator position and the accounting change to account for assessment fee cash discounts.

### **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the district's finances for the district's residents and creditors. Questions concerning this report or requests for additional financial information should be directed to

Chief Robert O. Polk  
304 First Street  
Indian Rocks Beach, Florida 33785-2508

For information about services, property values, appraisal process, exemptions, and other assessment information, visit the district's website at [www.psfrd.org](http://www.psfrd.org)

# **BASIC FINANCIAL STATEMENTS**

*This section contains the following subsections:*

## **Government-Wide Financial Statements**

Statement of Net Assets  
Statement of Activities

## **Fund Financial Statements**

### **Governmental Fund Financial Statements**

Balance Sheet - Governmental Fund  
Reconciliation of the Balance Sheet to the Statement of  
Net Assets - Governmental Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance -  
Governmental Fund  
Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balance of the Governmental Funds to the Statement of Activities -  
Governmental Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance -  
Budget and Actual:  
General Fund

## **Notes to Financial Statements**

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

STATEMENT OF NET ASSETS

SEPTEMBER 30, 2011

ASSETS

Cash	\$ 1,791,886
Investments	540,988
Receivables	
net of allowance for uncollectible accounts	84,201
Capital Assets:	
Land	61,000
Buildings and improvements	349,350
Equipment	2,289,641
Accumulated depreciation	<u>(1,096,285)</u>
Total capital assets, net	<u>1,603,706</u>
TOTAL ASSETS	4,020,781

LIABILITIES

Accounts payable	52,910
Accrued salaries and benefits	95,315
Accrued interest	3,343
Noncurrent liabilities	
Due within one year	157,714
Due in more than one year	<u>680,242</u>
TOTAL LIABILITIES	989,524

NET ASSETS

Invested in capital assets	1,266,962
Restricted for capital projects	277,663
Unrestricted	<u>1,486,632</u>
TOTAL NET ASSETS	<u>\$ 3,031,257</u>

See Notes to Financial Statements.

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

EXPENSES:

Public safety - fire and EMS protection:

Personnel services	\$ 3,575,353
Materials and supplies	682,925
Depreciation	<u>140,874</u>

Total public safety - fire and EMS protection 4,399,152

TOTAL PROGRAM EXPENSES 4,399,152

PROGRAM REVENUES:

Charges for services 92,353

Total program revenues 92,353

Net program expenses 4,306,799

GENERAL REVENUES:

Assessments 3,595,772

Impact fees 8,608

Intergovernmental Revenue:

County-EMS 545,986

State 3,620

Investment earnings 26,043

Miscellaneous 94,647

TOTAL GENERAL REVENUES 4,274,676

INCREASE (DECREASE) IN NET ASSETS (32,123)

NET ASSETS, BEGINNING OF YEAR 3,063,380

NET ASSETS, END OF YEAR \$ 3,031,257

See Notes to Financial Statements.

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

BALANCE SHEET

GOVERNMENTAL FUNDS

SEPTEMBER 30, 2011

(with comparative totals as of September 30, 2010)

<u>ASSETS</u>	<u>General Fund</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>	<u>Totals 2010</u>
Cash	\$ 1,783,278	\$ 8,608	\$ 1,791,886	\$ 1,527,950
Investments	271,933	269,055	540,988	523,061
Receivables (net of allowance for uncollectibles):				
State	960	-	960	680
County	75,443	-	75,443	149,988
Accounts	7,798	-	7,798	880
<b>TOTAL ASSETS</b>	<b>\$ 2,139,412</b>	<b>\$ 277,663</b>	<b>\$ 2,417,075</b>	<b>\$ 2,202,559</b>

LIABILITIES AND FUND BALANCE

Liabilities:				
Accounts payable	\$ 52,910	\$ -	\$ 52,910	\$ 83,511
Accrued salaries and benefits payable	95,315	-	95,315	83,344
	148,225	-	148,225	166,855
Fund balance:				
Restricted	-	277,663	277,663	-
Assigned	1,293,175	-	1,293,175	-
Unassigned	698,012	-	698,012	-
Unreserved	-	-	-	2,035,704
	1,991,187	277,663	2,268,850	2,035,704
<b>Total liabilities and fund balance</b>	<b>\$ 2,139,412</b>	<b>\$ 277,663</b>	<b>\$ 2,417,075</b>	<b>\$ 2,202,559</b>

See Notes to Financial Statements.

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

RECONCILIATION OF THE BALANCE SHEET  
TO THE STATEMENT OF NET ASSETS  
GOVERNMENTAL FUNDS

SEPTEMBER 30, 2011

Fund balance - total governmental fund \$ 2,268,850

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

Capital assets used in governmental activities are not financial  
resources and therefore are not reported in the governmental fund.

Governmental capital assets	\$ 2,699,991	
Less accumulated depreciation	<u>(1,096,285)</u>	
		1,603,706

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

Accrued interest	3,343	
Capital lease obligation	336,744	
Post-employment health care obligations	28,384	
Compensated absences	<u>472,828</u>	
		<u>841,299</u>

Net assets of governmental activities \$ 3,031,257

See Notes to Financial Statements.

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE

GOVERNMENTAL FUNDS

SEPTEMBER 30, 2011

(with comparative totals for the fiscal year ended September 30, 2010)

	<u>General</u>	<u>Capital</u>	<u>Total</u>	<u>Total</u>
	<u>Fund</u>	<u>Projects</u>	<u>Governmental</u>	<u>2010</u>
			<u>Funds</u>	
REVENUES:				
Assessments	\$ 3,595,772	\$ -	\$ 3,595,772	\$ 3,449,661
Intergovernmental	549,606	-	549,606	938,628
Impact fees	-	8,608	8,608	12,276
Charge for services	92,353	-	92,353	47,191
Investment income	17,080	8,963	26,043	35,666
Miscellaneous	94,647	-	94,647	66,081
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL REVENUES	4,349,458	17,571	4,367,029	4,549,503
EXPENDITURES:				
Current:				
Public safety - Fire and EMS:				
Personnel services	3,460,688	-	3,460,688	3,717,744
Operating services	694,914	-	694,914	570,099
Capital outlay	24,242	-	24,242	504,080
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL EXPENDITURES	4,179,844	-	4,179,844	4,791,923
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	169,614	17,571	187,185	(242,420)
OTHER FINANCING SOURCES:				
Proceeds from sale of equipment	21,500	-	21,500	-
Proceeds from capital lease	24,461	-	24,461	440,789
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources	45,961	-	45,961	440,789
NET CHANGE IN FUND BALANCE	215,575	17,571	233,146	198,369
FUND BALANCE, OCTOBER 1	<hr/>	<hr/>	<hr/>	<hr/>
	1,775,612	260,092	2,035,704	1,837,335
FUND BALANCE, SEPTEMBER 30	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 1,991,187	\$ 277,663	\$ 2,268,850	\$ 2,035,704

See Notes to Financial Statements.

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND  
TO THE STATEMENT OF ACTIVITIES  
GOVERNMENTAL FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

Net change in fund balance - total governmental fund \$ 233,146

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

Governmental funds report capital outlays as expenditures.

However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.

Expenditures for capital assets	\$ 24,242	
Less current year depreciation	<u>140,874</u>	(116,632)

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 fund:

Proceeds from capital lease	(24,461)	
Loss on disposal of capital assets	(83,150)	
Accrued interest expense	2,782	
Debt payments	70,857	
Post-employment health care obligations	-	
Change in compensated absences	<u>(114,665)</u>	<u>(148,637)</u>
Change in net assets of governmental activities		\$ <u><u>(32,123)</u></u>

See Notes to Financial Statements.



PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

	<u>BUDGETED AMOUNTS</u>		
	<u>ORIGINAL AND FINAL</u>	<u>ACTUAL AMOUNTS</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES:			
Assessments	\$ 3,500,000	\$ 3,595,772	\$ 95,772
EMS contract	545,986	545,986	-
Intergovernmental	-	3,620	3,620
Charge for services	44,000	92,353	48,353
Investment income	7,350	17,080	9,730
Miscellaneous	<u>3,900</u>	<u>94,647</u>	<u>90,747</u>
TOTAL REVENUES	4,101,236	4,349,458	248,222
EXPENDITURES:			
Current:			
Public safety - Fire and EMS:			
Personnel services	3,465,930	3,460,688	5,242
Operating	553,914	694,914	(141,000)
Capital outlay	<u>23,375</u>	<u>24,242</u>	<u>(867)</u>
TOTAL EXPENDITURES	<u>4,043,219</u>	<u>4,179,844</u>	<u>(136,625)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	58,017	169,614	111,597
OTHER FINANCING SOURCES:			
Proceeds from sale of equipment	-	21,500	21,500
Proceeds from capital lease obligation	<u>-</u>	<u>24,461</u>	<u>24,461</u>
Total other financing sources	<u>-</u>	<u>45,961</u>	<u>45,961</u>
NET CHANGE IN FUND BALANCE	58,017	215,575	157,558
FUND BALANCE, OCTOBER 1	<u>1,775,612</u>	<u>1,775,612</u>	<u>-</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ 1,833,629</u>	<u>\$ 1,991,187</u>	<u>\$ 157,558</u>

See Notes to Financial Statements.

**NOTES TO**  
**FINANCIAL STATEMENTS**

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2011

1. Summary of Significant Accounting Policies

The Pinellas Suncoast Fire & Rescue District (District) maintains its accounting records in accordance with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below:

Reporting Entity - The District is a political subdivision of the State of Florida, located in Pinellas County in the southwest portion of the State. The District was incorporated in 1953 under the provisions of the Laws of Florida, Chapter 29438 under a Board of Commissioners (Board) structure. On June 5, 2000, the Charter was amended to, among other items, provide for the renaming of the District and restated the boundaries of the District. The District is approximately nine square miles in area. The District was organized to prevent and control damage, destruction or injury to people or property by fire, disaster, or other emergencies and to provide Emergency Medical Services (EMS) to citizens in need in the District in accordance with an annually renewable agreement for services between the District and the Pinellas County, Florida Board of County Commissioners.

In evaluating how to define the Pinellas Suncoast Fire & Rescue District, (the primary government) for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GASB Statement No. 14.

This governmental accounting standard requires that this financial statement present the District (the primary government) and its component units. Component units generally are legally separate entities for which a primary government is financially accountable. Financial accountability ordinarily involves meeting both of the following criteria: the primary government is accountable for the potential component unit (i.e., the primary government appoints the voting majority of its board) and the primary government is able to impose its will upon the potential component unit, or there is a possibility that the potential component unit may provide specific financial benefits or impose specific financial burdens on the primary government. The following component units have been presented in the District's reporting entity as blended component units because of the significance of their operational or financial relationships with the District.

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2011

1. Summary of Significant Accounting Policies (Continued)

Government-wide and fund financial statements - As discussed more fully in Note 2 the District has adopted the provisions of GASB Statement No. 34, "Basic Financial Statements and Management Discussion and Analysis for State and Local Governments." The government-wide financial statements required under this statement (the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which are supported by taxes and intergovernmental revenues, continue to be reported separately from fiduciary funds.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are 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 or applicants 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. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental (general and capital projects) funds. Fiduciary funds and component units that are fiduciary in nature (i.e. the pension trust funds) are excluded from the government-wide financial statements. The District does not currently have any fiduciary funds. The major individual governmental fund is reported as a separate column in the fund financial statements.

Since the governmental fund financial statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental activities column, a reconciliation is presented on the page following each statement, which briefly explains the adjustments necessary to reconcile the fund based financial statements to the governmental activities column of the government-wide presentation.

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*, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2011

1. Summary of Significant Accounting Policies (Continued)

of related cash flows. Property assessments 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 District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The only revenue that is susceptible to accrual is interest revenue. EMS revenues collected and held by Pinellas County, Florida at year end on behalf of the District also are recognized as revenue of the current fiscal period. Plan and inspection fees are not susceptible to accrual because generally they are not measurable until received in cash. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental funds:

The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *capital projects fund* accounts for revenues generated under the Public Safety Construction Fee Resolution which is designated for acquisition and construction of capital improvements. This Resolution was adopted and the fund was established during the fiscal year ended September 30, 2005.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2011

1. Summary of Significant Accounting Policies (Continued)

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all property assessments.

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

Assets, Liabilities, and Net Assets or Equity:

Deposits and investments - The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

The District's investment policy is to maintain funds in investments which yield the highest possible efficiency and return within the limitations established by Florida Statutes, Chapter 218.415. Provisions of those statutes authorize the District to invest in:

- a) Florida State Board of Administration Local Government Pooled Investment Fund.
- b) Bonds, notes or other obligations of the United States or for which the credit of the United States is pledged for the payment thereof.
- c) Interest-bearing time deposits, savings accounts or collective investment funds in banks or savings and loan associations organized under the laws of the United States.
- d) Obligations of the federal farm credit banks and the Federal Home Loan Mortgage Corporation.

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2011

1. Summary of Significant Accounting Policies (Continued)

- e) Obligations of the Federal National Mortgage Association and the Government National Mortgage Association.

Investments in fixed income securities are stated at fair value. Fair value is the amount at which an investment could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Florida State Board of Administration Local Government Pooled Investment Fund has met the criteria to be considered a “2A-7 like” Investment Fund as defined by GASB Statement No. 31. Therefore, amortized cost may be used for valuation. The fair value of the District’s investment in this pool is determined by the pool’s share price (account balance).

Short-term investments are reported at amortized cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have an established market are reported at estimated fair values.

Investments in general are exposed to various risks, such as interest rate, credit, and overall volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the statements of net assets available for benefits.

Receivables and payables - Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e, the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

All accounts and intergovernmental receivables, are shown net of an allowance for uncollectibles. Trade accounts receivable in excess of 180 days comprise the trade accounts receivable allowance for uncollectibles.

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2011

1. Summary of Significant Accounting Policies (Continued)

Prepaid Items - Certain payments to vendors and for insurance premiums reflect costs applicable to future accounting periods and are recorded as prepaid items. The costs of governmental fund-type prepaid items are recorded as expenditures using the purchase method. Under this method, prepaid items are recorded as expenditures when purchased. Prepaid items reported in the general fund are therefore equally offset by a fund balance reserve, which indicates the assets are unavailable for appropriation even though they are a component of reported assets.

Property Assessment - Under Florida law, the assessment of all properties and the collection of all county, municipal and school board property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector.

The special assessment levy (assessment) of the District is established by the Board of Commissioners on or after February 1 of each year and the Pinellas County Property Appraiser incorporates the District's assessment into the total tax levy, which includes the Pinellas County District School Board tax requirements. The District may change the rate of assessment from that assessed in the prior year only if approved by referendum. The 2011 assessment by the District was \$3,595,772.

An assessment roll showing the assessment rate is prepared and completed by the Board of Commissioners on or before September 10 of each year.

The Board of Commissioners, upon the adoption of the resolution fixing the rate of assessment, shall prepare an assessment and collection roll setting forth a description of each lot or parcel of land subject to taxation in the district together with the amount of assessment against the lot or parcel of land and attach thereto a certified copy of the resolution fixing the rate of assessment, and it shall, before September 15 each year, deliver the roll to the County Tax Collector of Pinellas County, for collection of the assessments. All assessments shall be made against the land subject to assessment, and the roll shall set forth the names of the owners of such land.

All assessments are due and payable on November 1 of each year or as soon thereafter as the assessment roll is certified and delivered to the Tax Collector. All unpaid assessments become delinquent on April 1 following the year in which they are assessed.



PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2011

1. Summary of Significant Accounting Policies (Continued)

Delinquent assessments bear interest at 18% per year. On or prior to June 1 following the tax year, certificates are sold for all delinquent assessments. After sale, tax certificates bear interest at 18% per year or at any lower rate bid by the buyer. Application for a tax deed on any unredeemed tax certificates may be made by the certificate holder after a period of two years.

Because of the Pinellas County Tax Collector's Office efficient system for selling tax certificates and remitting the proceeds to the District, any delinquent or uncollected assessments at year end are immaterial. The District's assessment calendar is as follows:

Valuation Date:	January 1
Levy Date:	November 1
Due Date:	March 31, succeeding year
Lien Date:	April 1, succeeding year

Capital assets - Capital assets, which include property, plant and equipment are reported in the applicable governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$1,000 (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 estimated fair market 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. Interest incurred, if any, during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets 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>
Buildings	45 - 55
Buildings and improvements	20 - 30
Equipment	5 - 15

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2011

1. Summary of Significant Accounting Policies (Continued)

Compensated absences - It is the District's policy to permit employees to accumulate earned but unused vacation, holiday and sick pay benefits.

Accrued Leave - Permanent, full-time employees earn vacation and sick leave beginning with an employee's first pay period and accruing according to the number of regularly scheduled hours an employee works and the length of service.

Accrued Leave (Continued):

Holiday Leave:

In consideration for time worked on and around holidays while other departmental employees are off, the following compensation will be granted at the rate of twelve (12) hours holiday time per holiday for all fifty-six hour per week employees.

The maximum time that will be accumulated at the end of each calendar year will be one hundred twenty (120) hours. There is no intended minimum limit to hours taken during any particular year.

Vacation Leave:

All full-time and part-time employees shall accrue vacation time from their first full calendar month of employment with the District so as to enjoy the following vacation leave upon completion of each level of service:

<u>Service Completed</u>	<u>Fifty-Six Hour Personnel Vacation</u>
1 thru 2 Years of Completed Service	6-24 Hr Shifts
3 thru 4 Years of Completed Service	9-24 Hr Shifts
5 Years of Completed Service	12-24 Hr Shifts
6 thru 7 Years of Completed Service	13-24 Hr Shifts
8 thru 10 Years of Completed Service	14-24 Hr Shifts
11 thru 13 Years of Completed Service	15-24 Hr Shifts
14 or More of Completed Service	16-24 Hr Shifts

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2011

1. Summary of Significant Accounting Policies (Continued)

Accrued Leave (Continued):

Service Completed	Work Days		
	Salaried-Shift Personnel	Salaried- Day Personnel	Hourly Staff
After 1 year of service	6	10	10
After 2 years of service	6	10	10
After 3 years of service	9	15	15
After 4 years of service	9	20	15
After 5 years of service	12	21	20
After 6 years of service	13	22	21
After 7 years of service	13	23	22
After 8 years of service	14	24	23
After 9 years of service	14	25	24
After 10 years of service	14	26	25
After 11 years of service	15	27	26
After 12 years of service	15	28	27
After 13 years of service	15	29	28
After 14 years of service	16	30	29
After 15 years of service	16	30	30
After 20 years of service	16	30	30

Up to 120 hours of vacation may be carried forward into the year following that in which it was earned, provided that no such pool shall be allowed unless approved by the Chief, and provided further that only one rollover of vacation time will be approved, and any vacation rolled over into the succeeding year must be used in that year or it shall be deemed forfeited. At termination employees are paid for any accumulated vacation leave that is available at that time.

Sick Leave:

It is the District's policy that all full-time (forty hour per week) employees earn twelve (12) hours of sick leave for each full month of employment. All full-time (fifty-six hour per week) employees earn twelve (12) hours of sick leave for each full month of employment after six months of employment. Sick leave may be accumulated up to a maximum of one thousand four hundred forty hours for all forty hour per week employees

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2011

1. Summary of Significant Accounting Policies (Continued)

Accrued Leave (Continued):

and for all fifty-six hour per week employees. Unused sick leave is payable to the employee's beneficiary at an amount equal to his accrued sick leave, up to a maximum of seven hundred and twenty hours in the event of death in the line of duty or suffers death on account of injuries sustained in the line of duty.

Vacation Leave:

In the event of retirement, as defined by the Florida Retirement System, or any job-related disability retirement, as defined by the Florida Retirement System, then the Department shall pay to the employee, at the effective date of retirement, an amount equal to two percent (2%) of the employee's total accrued sick leave for each year of employment, up to a maximum of fifty percent (50%) of the total maximum of four hundred and eighty (480) hours, computed at the rate of pay paid to the employee at the time of retirement.

Vested or accumulated vacation and sick leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation and sick leave that are not expected to be liquidated with expendable available financial resources are reported in the general long-term debt account group. No expenditure is reported for these amounts.

All sick and vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-Term Obligations - Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term debt account group.

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement.

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2011

1. Summary of Significant Accounting Policies (Continued)

Fund equity - In the fund financial statements, governmental funds report reservations of fund balances for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Net assets - Net assets of the government-wide fund represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets net of accumulated depreciation and the outstanding balance on any borrowing spent for acquisition, construction or improvements of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Commission or through external restrictions imposed by creditors, grantors or laws or regulations of other government.

Nature and Purpose of Classifications of Fund Equity - In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Amounts that are restricted to specific purposes either by

- a) constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments or
- b) imposed by law through constitutional provisions or enabling legislation are classified as restricted fund balances.

Amounts that can only be used for specific purposes pursuant to constraints imposed by the District Commission through a resolution are classified as committed fund balances. Amounts that are constrained by the District's intent to be used for specific purposes but are not restricted nor committed are classified as assigned fund balances. Assignments are made by the District management based on Commission direction. Non-spendable fund balances include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Unassigned fund balance represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the governmental funds.

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2011

1. Summary of Significant Accounting Policies (Continued)

Minimum Fund Balance Policy - It is the desire of the District to maintain adequate General Fund fund balance to maintain liquidity and in anticipation of economic downturns or natural disasters. The Commission has adopted a financial standard to maintain a General Fund minimum fund balance of 60 days of budgeted expenditures.

Fund balance created as a result of actual revenue and expenditure deviations from the budget will be used to achieve and maintain the District's minimum fund balance goals and to meet the next year's budget expenditure requirements.

Comparative data/reclassifications - Comparative total data for the prior year have been presented only for individual general and pension funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

Subsequent Events - Management has adopted the provisions set forth in GASB Statement No. 56 and FASB ASU No. 2010-09, *Subsequent Events*, and considered subsequent events through the date of the audit report which is the date that the financial statements were available to be issued.

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2011

2. Reconciliation of Government-wide and Fund Financial Statements

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

The governmental fund balance sheet includes a reconciliation between *fund balance - total governmental funds and net assets - governmental activities* as reported in the government-wide statement of net assets. The detail of this \$762,407 difference is as follows:

Capital assets, net of accumulated depreciation	\$ 1,603,706
Accrued interest on debt	(3,343)
Post-employment health obligation	(28,384)
Capital lease obligation	(336,744)
Compensated absences	<u>(472,828)</u>
Net adjustment to increase <i>fund balance - total Governmental funds</i> to arrive at <i>net assets - Governmental activities</i>	\$ <u><u>762,407</u></u>

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2011

2. Reconciliation of Government-wide and Fund Financial Statements (Continued)

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances - total governmental funds and changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expenses.” The details of this \$(116,632) difference are as follows:

Capital outlay	\$	24,242
Depreciation expense		<u>(140,874)</u>
Net adjustment to reduce <i>net changes in fund balances - total governmental funds</i> to arrive at changes in net assets of governmental activities	\$	<u><u>(116,632)</u></u>



PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2011

2. Reconciliation of Government-wide and Fund Financial Statements (Continued)

Another element of that reconciliation states that “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 this \$(148,637) difference are as follows:

Post-employment health care obligation	\$ -
Loss in disposal of capital equipment	(83,150)
Change in accrued interest expense	2,782
Principal debt payments	70,857
Proceeds from capital lease	(24,461)
Compensated absences	<u>(114,665)</u>
Net adjustment to reduce <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ (148,637)</u>

3. Stewardship, Compliance and Accountability

Budgetary information - Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund. On or before June 1 of each year, the department heads of each of the District's divisions submit requests for appropriation to the Fire Chief so that a budget may be prepared. The budget is prepared by fund, function and activity (divisions), and includes information on the past year, current year estimates and requested appropriations for the next fiscal year.

The proposed budget is presented to the Board of Commissioners (Board) for review by July 1. The Board holds public hearings and may add to, subtract from, or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated as available by the Fire Chief and the Division head or the revenue estimates must be changed by an affirmative vote of a majority of the Board.

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2011

3. Stewardship, Compliance and Accountability (Continued)

Expenditures may not legally exceed budgeted appropriations at the division level within the general fund. During the year, there were no supplementary appropriations.

Encumbrances - Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

Finance-Related Legal and Contractual Provisions - The District is not in violation of any finance-related legal and contractual provisions.

Establishment/Elimination of Funds - During the fiscal year ended September 30, 2011, the District did not establish or eliminate any funds.

Excess of appropriation over expenditures - The general fund had an operating surplus of \$215,575 for the fiscal year ended September 30, 2011. The District's residents passed a referendum increasing the property assessment during the year ended September 30, 2010 to help cover the District's deficit during the prior fiscal year.

4. Deposits

At year-end the carrying amount of the District's deposits was \$1,791,886 and the bank balance maintains a balance of \$1,806,338. The District's operating and payroll account balances are swept into the bank's separate brokerage investment fund accounts each evening. Deposits in these accounts have been reported as investments in these financial statements. The bank balance was covered by federal depository insurance and, for the amount in excess of such federal depository insurance, by the State of Florida's Security for Public Deposits Act. Provisions of the Act require that public deposits may only be made at qualified public depositories. The Act requires each qualified public depository to deposit with the State

Treasurer eligible collateral equal to or in excess of the required collateral as determined by the provisions of the Act. In the event of a failure by a qualified public depository, losses, in excess of federal depository insurance and proceeds from the sale of the securities pledged by the defaulting depository, are assessed against the other qualified public depositories of the same type as the depository in default.

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2011

5. Investments

Interest Rate Risk - The District manages its exposure to fair value losses arising from increasing interest rates through its adopted investment policies. The District limits the effective duration of its investment portfolio through the adoption of nationally recognized risk measure bench marks.

Credit Risk - Consistent with state law the District's investment guidelines limit its fixed income investments to a quality rating of 'A' or equivalent as rated by one or more recognized bond rating service at the time of purchase. Fixed income investments which are downgraded to 'Baa' or equivalent must be liquidated within a reasonable period of time not to exceed twelve months. Fixed income investments which are downgraded below 'Baa' shall be liquidated immediately.

The State Board of Administration (Board) was established on June 21, 1928, pursuant to Chapter 14486, 1929, Laws of Florida. The Board was subsequently created as a constitutional body corporate on January 1, 1943, under the provisions of Senate Joint Resolution No. 324, 1941; approved by the electorate in November 1942. The Board is composed of the Governor, as Chairman, the State Treasurer, as Treasurer, and the State Comptroller, as Secretary, and provides the following services by law: (1) investment of funds of the Florida Retirement System (FRS); (2) administration of debt service funds; (3) investment of trust and agency funds; and (4) distribution of the "Second Gas Tax."

The Local Government Pooled Investment Fund is governed by Ch. 19-7 of the Florida Administrative Code, which identifies the Rules of the State Board of Administration. These rules provide guidance and establish the general operating procedures for the administration of the Local Government Pooled Investment Fund. Additionally, the Office of the Auditor General performs the operational audit of the activities and investments of the State Board of Administration.

Since the Florida State Board of Administration (SBA) Local Government Pooled Investment Fund (Fund) typically owns a substantial amount of treasury bills and notes, the Fund has utilized security lending programs to generate supplemental income. This income is used to pay a significant portion of the fees associated with the Fund which otherwise would have to be paid from regular Fund earnings. Any residual is used to build the Fund's reserve on behalf of participants. Both of these goals have been accomplished without impacting the regular earnings in the Fund and with no change in the Fund's investment strategy. The investment in the Florida SBA pool is carried at the pool's share price at September 30, 2011.

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2011

5. Investments (Continued)

During the fiscal year ended September 30, 2007 the fund reported that 6% of the fund was held in securities that were in default, had defaulted or were extended; 8% of the fund was held in securities that were under stress due to credit issues and 86% of the fund was held in high quality money market investments. In an effort to strengthen the fund's liquidity, the fund was divided into to parts:

Fund A contained all money-market appropriate assets and

Fund B consisted of assets in default, impaired or held significant credit risk.

The SBA Board adopted the following operating policy:

1. Shareholders were allowed to redeem (with no fees) from Fund A, the greater of
  - a) up to 37% of their holdings or
  - b) \$4 million
2. Establish a public-private partnership to allow shareholders to borrow cash against their shares.
3. Shareholders that need additional funds and were not able to make use of the credit facility may redeem Fund A shares subject to redemption fees.
4. Fund B shares are not liquid nor are they tradable.

Investments

The District's investments are uninsured and unregistered for which the securities are held by the broker or dealer, or by its Bank's trust department or agent but in the District's name. Investments that are not evidenced by securities that exist in physical or book-entry form include investments in open-ended mutual funds and pools managed by other governments.

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2011

5. Investments (Continued)

Investments as of September 30, 2011 are presented as follows:

<u>Investment Type</u>	<u>Overall Credit Ratng</u>	<u>Fair Value</u>	<u>Average Effective Duration (Years)</u>
U.S. Government agency securities	Aaa-AAA	\$ 531,858	4.85%
Temporary investments	N/A	6,254	N/A
Florida State Board of Administration Local Government Pooled Investment Fund (SBA) (Fund B)	Not Rated	2,876	Open-Ended
Total investments		<u>\$ 540,988</u>	

The fair value of these publicly traded investments was determined by the stock share or bond prices as of September 30, 2011.

Interest Rate Risk - Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment in debt securities. Generally, the longer the time to maturity, the greater the exposure to interest rate risk. Through its investment policies, the pension trust fund manages its exposure to fair value losses arising from increasing interest rates. The fund limits the effective duration of its investment portfolio through the adoption of nationally accepted risk measure benchmarks.

Custodial Credit Risk - Custodial credit risk is defined as the risk that the District may not recover cash and investments held by another party in the event of a financial failure. The District requires all securities to be held by a third party custodian in the name of the District. Securities transactions between a broker-dealer and the custodian involving the purchase or sale of securities must be made on a “delivery vs. payment” basis to ensure that the custodian will have the security or money, as appropriate, in hand at the conclusion of the transaction. The investments in mutual funds and investment fund are considered *unclassified* pursuant to the custodial risk categories of GASB Statement No. 3, because they are not evidenced by securities that exist in physical or book-entry form.

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2011

5. Investments (Continued)

The District's investments at both carrying value and cost or adjusted cost as of September 30, 2011 are summarized as follows:

Investment	2011	
	Cost	Fair Value
U.S. Government agency securities	\$ 493,746	\$ 531,858
Temporary investments	6,254	6,254
Total	<u>\$ 500,000</u>	<u>\$ 538,112</u>

The District's investments appreciated (depreciated) in value during the year ended September 30, 2011 as follows:

	2011		
	Realized Appreciation (Depreciation)	Unrealized Appreciation (Depreciation)	Total
Investments at fair value as determined by quoted market price:			
U.S. Government agency securities	\$ -	\$ 40,988	\$ 40,988
Net increase in realized and unrealized appreciation (depreciation) of investments	<u>\$</u>	<u>\$ 40,988</u>	<u>\$ 40,988</u>

The calculation of realized gains and losses is independent of the calculation of net appreciation (depreciation) in the fair value of plan investments.

Unrealized gains and losses on investments sold in 2011 that had been held for more than one year were included in net appreciation (depreciation) reported in the prior year.

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2011

5. Investments (Continued)

During the fiscal year ended September 30, 2010, the SBA Board announced that the fund was on track to return to full liquidity. Further the SBA Board expects that the SBA fund securities will pay in full at maturity.

6. Receivables

Receivables at September 30, 2011, consist of the following:

	<u>General Fund</u>
Receivables:	
Intergovernmental	\$ 76,403
Accounts	<u>7,798</u>
Gross receivables	84,201
Less: Allowance for uncollectibles	<u>-</u>
Net total receivables	<u><u>\$ 84,201</u></u>

The receivables in the General Fund are due from county government and state agencies.

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2011

7. Capital Assets

Capital asset activity for the year ended September 30, 2011 was as follows:

	Balance October 1, 2010	Increases	Decreases	Balance September 30, 2011
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<u>Governmental activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 61,000	\$ -	\$ -	\$ 61,000
Construction in progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total capital assets, not being depreciated	61,000	-	0	61,000
Capital assets, being depreciated:				
Buildings and improvements	349,350	-	-	349,350
Equipment	<u>2,481,884</u>	<u>24,242</u>	<u>216,485</u>	<u>2,289,641</u>
Total capital assets, being depreciated	2,831,234	24,242	216,485	2,638,991
Less accumulated depreciation for:				
Buildings and improvements	253,704	5,823	-	259,527
Equipment	<u>835,042</u>	<u>135,051</u>	<u>133,335</u>	<u>836,758</u>
Total accumulated depreciation	<u>1,088,746</u>	<u>140,874</u>	<u>133,335</u>	<u>1,096,285</u>
Total capital assets, being depreciated, net	<u>1,742,488</u>	<u>(116,632)</u>	<u>83,150</u>	<u>1,542,706</u>
Governmental activities capital assets, net	<u>\$ 1,803,488</u>	<u>\$ (116,632)</u>	<u>\$ 83,150</u>	<u>\$ 1,603,706</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

<u>Governmental activities:</u>	
Public safety - Fire and EMS Protection	\$ <u>140,874</u>
Total depreciation expenses - governmental activities	\$ <u><u>140,874</u></u>



PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2011

8. Long-Term Debt

Capital Lease Obligation

During the fiscal year ended September 30, 2010 the District entered into a capital lease obligation to finance the cost of the pumper fire truck. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments. The asset acquired through the capital lease is as follows:

Pumper fire truck	\$ 440,789
Less: accumulated depreciation	<u>12,926</u>
Net equipment subject to capital lease obligations	<u>\$ 427,863</u>

The future minimum lease obligations and the net present value of these lease payments as of September 30, 2011 were as follows:

<u>Year Ending</u> <u>September 30,</u>		
2012	\$	73,992
2013		73,992
2014		73,992
2015		73,992
2016		<u>73,992</u>
Total minimum lease payments		369,960
Less amount representing interest		<u>33,216</u>
Present value of minimum lease payments	\$	<u><u>336,744</u></u>

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2011

8. Long-Term Debt (Continued)

Capital Lease Obligation (Continued)

Long-term debt is summarized as follows:

Description	Balance October 1, 2010	Additions	Deletions	Balance September 30, 2011
Capital lease obligation	\$ 383,140	\$ 24,461	\$ 70,857	\$ 336,744
Post-employment health care obligation (Note 16)	28,384	-	-	28,384
Compensated absences	359,163	564,984	451,319	472,828
	<u>\$ 770,687</u>	<u>\$ 589,445</u>	<u>\$ 522,176</u>	<u>\$ 837,956</u>

Annual principal and interest payments of \$73,992 are due through June 2016 interest at 3.22%.

9. Accrued Leave

Accrued leave consists of the following at September 30, 2011:

	Accrued Vacation	Accrued Holiday	Accrued Sick	Total Accrued Leave
General Long-Term Debt	<u>\$ 171,156</u>	<u>\$ 75,714</u>	<u>\$ 225,958</u>	<u>\$ 472,828</u>

General long-term debt as of September 30, 2011, is made up of accrued leave costs which will not normally be liquidated with expendable available financial resources early in the 2011 accounting period. Specific due dates for the future payment of these costs cannot be forecast as of the date of these financial statements.

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2011

10. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and distribution of assets; errors and omissions; injuries to employees; and natural disasters. The District purchases all of its insurance coverages from commercial insurance carriers.

The District also carries commercial insurance for all other risks of loss including health and employee accident insurance. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. The District has not had any significant coverage reductions under these policies from the prior year.

11. Details of Constraints on Fund Balances of Governmental Funds

The District has recognized that adequate unassigned fund balance is needed to mitigate current and future risks (e.g., revenue shortfalls and unanticipated expenditures) and to ensure stable tax rates.

	General Fund	Capital Projects Fund	Total
	<u>          </u>	<u>          </u>	<u>          </u>
Fund Balances:			
Restricted for:			
Equipment and improvements	\$ -	\$ 277,663	\$ 277,663
Assigned for rolling stock	1,293,175	-	1,293,175
Unassigned	<u>698,012</u>	<u>-</u>	<u>698,012</u>
Total fund balances	<u>\$ 1,991,187</u>	<u>\$ 277,663</u>	<u>\$ 2,268,850</u>

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2011

12. Employee Retirement Systems

Florida Retirement System

Plan Description:

All Firefighters and general employees participate in the Florida Retirement System (System), a non-contributory cost-sharing multiple-employer public employee retirement system (PERS). The District does not provide postemployment benefits for firefighters or general employees other than pension benefits.

The District's current elected officials (Board of Commissioners) are required to participate in this system.

The District contributes to the FRS which is administered by the Florida Department of Management Services, Division of Retirement. FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Chapter 121 of the Florida Statutes, which may be amended by the Florida Legislature, assigns the authority to establish and amend benefit provisions to the Department of Management Services through the Division of Retirement. The FRS issues a publicly available financial report that includes financial statements and required supplementary information for FRS. That report may be obtained by writing to:

State of Florida  
Division of Retirement  
3639-C North Monroe Street  
Tallahassee, Florida 32399-1560

Funding Policy:

The FRS funding policy provides for monthly employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll are adequate to accumulate sufficient assets to pay benefits when due. Level percentage of payroll employer contribution rates, established by state law, are determined using the entry-age actuarial funding method. Future plan benefit changes, assumption changes, and methodology changes are amortized within 30 years, using level dollar amounts. Except for gains reserved for rate stabilization, future actuarial gains and losses are amortized on a rolling 10% basis, as a level dollar amount.

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2011

12. Employees Retirement Systems (Continued)

Retirement benefits and the District's contribution rates are summarized as follows:

Membership Category	Retirement Benefit	Vesting	District Contributions Rate Actuarially Determined	
			Employer Contribution Rates Through June 30, 2011	Employer Contribution Rates Beginning July 1, 2011
Regular	1.6% times years of service times average compensation (5 highest years) if age 62 or 30 years of service at any age.	After 6 years of creditable service.	10.77% of covered payroll	4.912% of covered payroll
Special Risk	3.0% times years of service times average compensation (5 highest years) if age 55 or 25 years of service at any age.	After 6 years of creditable service.	23.25% of covered payroll	23.25% of covered payroll
Special District Elected Officers	Same as Special Risk	After 6 years of creditable service.	18.64% of covered payroll	11.14% of covered payroll
DROP From FRS	-	-	12.25% of covered payroll	4.45% of covered payroll

Deferred Retirement Option Program

The FRS Deferred Retirement Option Program (DROP) is available to a member when the member first reaches eligibility for normal retirement. DROP allows a member to retire while continuing employment for up to 60 months. During DROP participation, the member's retirement benefits (increased by a cost-of-living adjustment each July) accumulate in the FRS Trust Fund and earn monthly interest equivalent to an annual rate of 6.5%. (The DROP interest rate is reduced to 1.3% for members who enter DROP on or after 7/1/11.) The member must cease employment after a maximum of 60 months, must satisfy the termination requirements for retirement, and is subject to reemployment restrictions thereafter. The member's DROP accumulation may be paid out as a lump sum payment, a rollover, or a combination partial lump sum payment and rollover. Employers must pay contributions at a rate of 12.25% of salary for all DROP participants prior to June 30, 2011. The contribution rate for DROP participants after July 1, 2011 was also 4.45%. FRS also provides disability and survivors' benefits.

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2011

12. Employees Retirement Systems (Continued)

Funding Policy (Continued):

The District's contributions include 1.11% for a post-retirement health insurance subsidy. FRS also provides disability and survivors benefits.

The contribution requirements of employers are established and may be amended by the Division of Retirement. The District's contributions and its required contributions for the five years ended September 30, 2011 are summarized as follows:

<u>Year Ended</u>	<u>Required Contribution</u>	<u>Percentage Contributed</u>
September 30, 2007	\$ 444,994	100.0%
September 30, 2008	501,633	100.0
September 30, 2009	525,689	100.0
September 30, 2010	476,604	100.0
September 30, 2011	462,658	100.0

13. Postemployment Benefits Other Than Pension Benefits

Postemployment health care benefits are made available to the District's terminated employees in accordance with the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). Under COBRA, the District is required to offer an election to deceased or terminated participants, their spouses or dependents to continue coverage in the health plan provided by the District. The cost of coverage which the District may charge the participant may not exceed 102% of the applicable premium.

14. Contingent Liabilities

During the fiscal year ended September 30, 2008 the District has entered into five year operating leases for space in Indian Shores, Florida and a new copier. Terms of the lease do not provide for scheduled rent increases.

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2011

14. Contingent Liabilities (Continued)

Future minimum annual maturities under the terms of these leases are summarized as follows:

<u>Year Ended September 30</u>	<u>Amount</u>
2012	\$ <u>3,478</u>
Total	\$ <u><u>3,478</u></u>

The District did not receive federal grant funds during the fiscal year ended September 30, 2011 which were subject to the program compliance audit by the grantee under the Office of Management and Budget Circular A-133.

15. Deferred Compensation Plan

The District maintains a deferred compensation plan (plan) under the provisions of Section 457 of the Internal Revenue Code, as amended. This law stipulates that all assets and income of the plan must be held in trust for the exclusive benefit of the Plan participants and their beneficiaries. The District's plan is administered by the Capital Guardian Trust, Inc. and provides the plan participants with the option to invest in over four different registered investment funds (mutual funds). The District has adopted a trust for this Plan in accordance with Section 457(b) of the Internal Revenue Code. Although the District will be the Trustee of this plan, the District has no administrative involvement and performs no investing function for the plan and has not therefore, included the plan in this financial report.

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2011

16. Post-Employment Health Care Benefits

Postemployment health care benefits are made available to the District's terminated employees in accordance with the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). Under COBRA, the District is required to offer an election to deceased or terminated participants, their spouses or dependents, to continue coverage in the health plan provided by the District. The cost of coverage which the District may charge the participant may not exceed 102% of the applicable premium.

GASB Statement No. 45: *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions* (OPEB), established new accounting standards for postretirement benefits. The new standard does not require funding of OPEB expense, but any difference between the annual required contribution (ARC) and the amount funded during the year is required to be recorded in the employer's financial statement as an increase (or decrease) in the net OPEB obligation. The effective date for implementation of GASB 45 by the District is October 1, 2009. Accordingly, the District did obtain an actuarial valuation in accordance with GASB 45 standards as of October 1, 2009, and discloses the following:

**Plan Description and Funding Policy**

Employees who retire from the District (District), and eligible dependents and survivors, are eligible to continue to participate in the District's health insurance programs at the "blended" employee group rate which is determined annually by the District and approved by the District Trustees. Retirees have 31 days to elect to enroll in the District's health insurance plan in which they were participating at the time of retirement unless otherwise stated in a plan document or collective bargaining agreement. As of September 30, 2011, a total of sixty-six eligible retirees and dependents were participating in the District's health program.

The District provides no funding for any portion of the premiums after retirement. However, the District recognizes that there is an "implicit subsidy" arising as a result of the blended rate premium since retiree health care costs, on average, are higher than active employee healthcare costs. The plan is not accounted for as a trust fund and an irrevocable trust has not been established to fund the plan. The plan does not issue a separate financial report.



PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2011

16. Post-Employment Health Care Benefits (Continued)

**Annual OPEB Cost and Net OPEB Obligation**

The District's annual other post-employment benefits (OPEB) cost is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and to amortize any unfunded actuarial liabilities over a period not to exceed 30 years. The District's annual OPEB cost for its plan for the current year is as follows:

Annual required contributions (ARC)	\$ 59,507
Interest on net OPEB obligation	-
Adjustment to ARC	<u>-</u>
Annual OPEB cost	59,507
Contributions made (pay-as-you-go basis)	<u>31,123</u>
Increase in net OPEB obligation	28,384
Net Pension obligation, beginning of year	<u>-</u>
Net pension obligation, end of year	<u><u>\$ 28,384</u></u>

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the status of the plan and the annual required contributions of the District are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information in the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. Since this is information from the first year of implementation there is no prior year information.

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2011

16. Post-Employment Health Care Benefits (Continued)

**Actuarial Methods and Assumptions**

Projection of benefits are based on the substantive plan and include the type of benefits in force at the valuation date and the pattern of sharing benefits between the District and the plan members at that point. Actuarial calculations reflect a long term perspective and employ methods and assumptions that are designed to reduce the short term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions used for this valuation are as follows:

Measurement Date	October 1, 2010
Actuarial Cost Method	Projected Unit Credit
Amortization method	Closed
Discount rate	4.00%
CPI	3.20%
Health Cost Trend Rate	10% (grading down to 5% in 2020)
Payroll Growth Rate	3.0% annually

The District did not require a new actuarial study for the fiscal year ended September 30, 2011.

**INDIVIDUAL GENERAL FUND**

**FINANCIAL STATEMENTS**

**AND**

**SCHEDULES**

## **GOVERNMENTAL FUNDS**

### **GENERAL FUND**

The General Fund is the general operating fund of the District. It is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund.

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

GENERAL FUND

COMPARATIVE BALANCE SHEETS

SEPTEMBER 30, 2011 AND 2010

ASSETS

	<u>2011</u>	<u>2010</u>
Cash	\$ 1,783,278	\$ 1,527,950
Investments	271,933	262,969
Accounts receivable (net of uncollectible accounts):		
Intergovernmental:		
State	960	680
County	75,443	149,988
Accounts	<u>7,798</u>	<u>880</u>
TOTAL ASSETS	<u>\$ 2,139,412</u>	<u>\$ 1,942,467</u>

LIABILITIES AND FUND BALANCE

LIABILITIES:		
Accounts payable	\$ 52,910	\$ 83,511
Accrued salaries and benefits payable	<u>95,315</u>	<u>83,344</u>
TOTAL LIABILITIES	148,225	166,855
FUND BALANCE:		
Assigned	1,293,175	-
Unassigned	698,012	-
Unreserved:		
Designated	-	1,061,771
Undesignated	<u>-</u>	<u>713,841</u>
TOTAL FUND BALANCE	<u>1,991,187</u>	<u>1,775,612</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 2,139,412</u>	<u>\$ 1,942,467</u>

See Notes to Financial Statements.

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

GENERAL FUND

COMPARATIVE SCHEDULES OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL

FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2011 AND 2010

	2011			2010		
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
	REVENUES:					
Assessments:						
Fire	\$ 3,500,000	\$ 3,595,772	\$ 95,772	\$ 3,555,669	\$ 3,449,661	\$ (106,008)
EMS contract	545,986	545,986	-	938,581	938,628	47
Plan and Inspection fees	44,000	92,353	48,353	44,000	47,191	3,191
Investment income	7,350	17,080	9,730	12,000	25,095	13,095
Miscellaneous	3,900	94,647	90,747	6,000	63,881	57,881
Intergovernmental:						
State	-	3,620	3,620	4,440	2,200	(2,240)
TOTAL REVENUES	4,101,236	4,349,458	248,222	4,560,690	4,526,656	(34,034)
EXPENDITURES:						
Current:						
Public Safety-Fire and EMS:						
Executive salaries			-	96,023	144,071	(48,048)
Regular salaries	2,244,206	2,263,851	(19,645)	2,292,100	2,155,168	136,932
Overtime	40,000	27,076	12,924	130,000	195,932	(65,932)
Social security	169,924	159,756	10,168	192,636	179,459	13,177
Retirement	486,406	462,658	23,748	482,059	476,604	5,455
Group health insurance	447,722	470,481	(22,759)	509,679	448,123	61,556
Workers' compensation	77,672	76,866	806	108,085	87,384	20,701
Legal fees	36,295	20,516	15,779	35,000	35,159	(159)
Physicals	22,230	14,711	7,519	20,160	21,188	(1,028)
Tax collection	77,343	187,926	(110,583)	83,646	77,081	6,565
Professional fees	15,000	13,279	1,721	7,500	6,500	1,000
Travel	8,500	2,905	5,595	7,000	3,268	3,732
Telephone	9,000	10,564	(1,564)	19,800	14,680	5,120
Postage	-	1,130	(1,130)	2,200	837	1,363
Electricity	8,400	19,158	(10,758)	22,990	23,589	(599)
Water	-	2,380	(2,380)	2,541	2,849	(308)
Small equipment	16,750	12,678	4,072	7,472	7,887	(415)
Information technology	10,200	12,545	(2,345)	-	-	-
Insurance	53,248	54,312	(1,064)	52,312	47,736	4,576
Apparatus and equipment repairs	46,000	41,733	4,267	-	-	-
Repair and maintenance	48,200	27,898	20,302	108,533	165,371	(56,838)
Public relations	5,400	2,169	3,231	9,178	3,625	5,553
Printing	-	-	-	8,800	1,471	7,329
Office supplies	24,220	14,921	9,299	6,000	7,124	(1,124)
Operations	3,060	7,627	(4,567)	10,000	10,309	(309)
Small tools and supplies	1,200	1,820	(620)	3,000	1,726	1,274
Petroleum products	30,304	31,616	(1,312)	30,000	24,913	5,087
Custodial	4,000	3,777	223	5,000	4,169	831
Uniforms and protective gear	30,000	27,726	2,274	34,500	27,541	6,959
Education	15,000	8,129	6,871	15,800	8,516	7,284
Emergency Operation Center	3,000	68	2,932	3,000	2,985	15
Recertifications	2,044	3,190	(1,146)	2,000	215	1,785
Dues and publications	6,500	5,529	971	13,972	7,613	6,359
Capital outlay	23,375	24,242	(867)	397,500	479,520	(82,020)
Principal - equipment loan	70,865	70,857	8	36,500	93,930	(57,430)
Interest - equipment loan	3,135	3,135	-	-	-	-
Expense reimbursements	2,520	92,615	(90,095)	-	-	-
Medical Supply	1,500	-	1,500	3,100	820	2,280
SUB-TOTAL PUBLIC SAFETY-						
Fire and EMS expenditures	4,043,219	4,179,844	(136,625)	4,758,086	4,767,363	(9,277)

See Notes to Financial Statements.

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

GENERAL FUND

COMPARATIVE SCHEDULES OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL

FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2011 AND 2010  
(CONTINUED)

	2011			2010		
	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
TOTAL EXPENDITURES	<u>4,043,219</u>	<u>4,179,844</u>	<u>(136,625)</u>	<u>4,758,086</u>	<u>4,767,363</u>	<u>(9,277)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	58,017	169,614	111,597	(197,396)	(240,707)	(43,311)
OTHER FINANCING SOURCES:						
Transfer to Capital Projects Fund	-	-	-	-	(4,512)	(4,512)
Proceeds from sale of assets	-	21,500	-	-	-	-
Proceeds from capital lease obligation	<u>-</u>	<u>24,461</u>	<u>24,461</u>	<u>-</u>	<u>440,789</u>	<u>440,789</u>
Total other financing sources	<u>-</u>	<u>45,961</u>	<u>45,961</u>	<u>-</u>	<u>436,277</u>	<u>436,277</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	58,017	215,575	157,558	(197,396)	195,570	392,966
FUND BALANCE, OCTOBER 1	<u>1,775,612</u>	<u>1,775,612</u>	<u>-</u>	<u>1,580,042</u>	<u>1,580,042</u>	<u>-</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ 1,833,629</u>	<u>\$ 1,991,187</u>	<u>\$ 157,558</u>	<u>\$ 1,382,646</u>	<u>\$ 1,775,612</u>	<u>\$ 392,966</u>

See Notes to Financial Statements.

**CAPITAL ASSETS**  
**USED IN THE OPERATION**  
**OF GOVERNMENTAL FUNDS**



PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

CAPITAL ASSETS USED IN THE OPERATION OF THE GOVERNMENTAL FUND

COMPARATIVE SCHEDULES BY SOURCE

SEPTEMBER 30, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
GENERAL FIXED ASSETS:		
Land	\$ 61,000	\$ 61,000
Buildings	349,350	349,350
Equipment	<u>2,289,641</u>	<u>2,481,884</u>
Total general fixed assets	<u>\$ 2,699,991</u>	<u>\$ 2,892,234</u>
Investment in general fixed assets from:		
General Fund	<u>\$ 2,699,991</u>	<u>\$ 2,892,234</u>
Total investments in general fixed assets	<u>\$ 2,699,991</u>	<u>\$ 2,892,234</u>

See Notes to Financial Statements.

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

CAPITAL ASSETS USED IN THE OPERATION  
OF THE GOVERNMENTAL FUND  
COMPARATIVE SCHEDULES BY FUNCTION AND ACTIVITY

SEPTEMBER 30, 2011 AND 2010

	2011			
	<u>Total</u>	<u>Land</u>	<u>Building</u>	<u>Equipment</u>
Public safety:				
EMS and Fire Protection	\$ <u>2,699,991</u>	\$ <u>61,000</u>	\$ <u>349,350</u>	\$ <u>2,289,641</u>
Total general fixed assets	\$ <u>2,699,991</u>	\$ <u>61,000</u>	\$ <u>349,350</u>	\$ <u>2,289,641</u>

See Notes to Financial Statements.

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

CAPITAL ASSETS USED IN THE OPERATION  
OF THE GOVERNMENTAL FUND  
COMPARATIVE SCHEDULES BY FUNCTION AND ACTIVITY (CONTINUED)

SEPTEMBER 30, 2011 AND 2010

	2010			
	<u>Total</u>	<u>Land</u>	<u>Building</u>	<u>Equipment</u>
Public safety: EMS and Fire Protection	\$ <u>2,892,234</u>	\$ <u>61,000</u>	\$ <u>349,350</u>	\$ <u>2,481,884</u>
Total general fixed assets	\$ <u><u>2,892,234</u></u>	\$ <u><u>61,000</u></u>	\$ <u><u>349,350</u></u>	\$ <u><u>2,481,884</u></u>

See Notes to Financial Statements.

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

CAPITAL ASSETS USED IN THE OPERATION  
OF GOVERNMENTAL FUNDS

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS-  
BY FUNCTION AND ACTIVITY

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

	General Fixed Assets October 1, 2010	Additions	Deductions	General Fixed Assets September 30, 2011
Public safety:				
EMS and Fire Protection	\$ <u>2,892,234</u>	\$ <u>25,542</u>	\$ <u>217,785</u>	\$ <u>2,699,991</u>
Total public safety	\$ <u><u>2,892,234</u></u>	\$ <u><u>25,542</u></u>	\$ <u><u>217,785</u></u>	\$ <u><u>2,699,991</u></u>

See Notes to Financial Statements.

# STATISTICAL SECTION

This part of the Pinellas Suncoast Fire & Rescue District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

<b>Content</b>	<b>Page</b>
Financial Trends	59
<i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time</i>	
Revenue Capacity	66
<i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	
Debt Capacity	71
<i>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue debt in the future.</i>	
Operating Information	73
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

## **FINANCIAL TRENDS**

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

NET ASSETS BY COMPONENT  
LAST EIGHT FISCAL YEARS  
 (accrual basis of accounting)

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Governmental activities:									
Invested in capital assets	\$ 1,266,962	\$ 1,420,348	\$ 1,436,053	\$ 1,536,592	\$ 1,585,793	\$ 1,700,194	\$ 1,619,099	\$ 1,704,318	\$ 1,764,198
Restricted for capital projects	277,663	260,092	707,293	734,722	787,737	514,327	203,122	-	-
Unrestricted	<u>1,486,632</u>	<u>1,382,940</u>	<u>816,203</u>	<u>851,810</u>	<u>724,246</u>	<u>792,236</u>	<u>760,917</u>	<u>592,091</u>	<u>1,446,817</u>
Total governmental activities and net assets	<u>\$ 3,031,257</u>	<u>\$ 3,063,380</u>	<u>\$ 2,959,549</u>	<u>\$ 3,123,124</u>	<u>\$ 3,097,776</u>	<u>\$ 3,006,757</u>	<u>\$ 2,583,138</u>	<u>\$ 2,296,409</u>	<u>\$ 3,211,015</u>

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

CHANGES IN NET ASSETS  
LAST NINE FISCAL YEARS  
 (accrual basis of accounting)

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
EXPENSES									
Governmental Activities:									
Public safety Fire and EMS Protections:									
Fire and EMS protection	\$ 4,399,152	\$ 4,445,672	\$ 4,626,791	\$ 4,421,725	3,940,007	\$ 3,724,997	\$ 3,761,339	\$ 3,677,597	\$ 3,341,738
Total governmental activities expenses	\$ <u>4,399,152</u>	\$ <u>4,445,672</u>	\$ <u>4,626,791</u>	\$ <u>4,421,725</u>	<u>3,940,007</u>	\$ <u>3,724,997</u>	\$ <u>3,761,339</u>	\$ <u>3,677,597</u>	\$ <u>3,341,738</u>
PROGRAM REVENUES									
Governmental activities:									
Charges for services	\$ 92,353	\$ 47,191	\$ 52,422	\$ 44,570	253,479	\$ 207,404	\$ 232,176	\$ 137,727	\$ 131,119
Operating grants and contributions	-	-	-	536	595	785	116,565	55,748	-
Capital contributions	-	-	-	-	-	10,550	-	-	-
Total governmental activities program revenues	\$ <u>92,353</u>	\$ <u>47,191</u>	\$ <u>52,422</u>	\$ <u>45,106</u>	<u>254,074</u>	\$ <u>218,739</u>	\$ <u>348,741</u>	\$ <u>193,475</u>	\$ <u>131,119</u>
NET (EXPENSE) REVENUE									
Governmental activities	\$ <u>(4,306,799)</u>	\$ <u>(4,398,481)</u>	\$ <u>(4,574,369)</u>	\$ <u>(4,376,619)</u>	<u>(3,685,933)</u>	\$ <u>(3,506,168)</u>	\$ <u>(3,412,598)</u>	\$ <u>(3,484,122)</u>	\$ <u>(3,210,619)</u>
Total primary government net expense	\$ <u>(4,306,799)</u>	\$ <u>(4,398,481)</u>	\$ <u>(4,574,369)</u>	\$ <u>(4,376,619)</u>	<u>(3,685,933)</u>	\$ <u>(3,506,168)</u>	\$ <u>(3,412,598)</u>	\$ <u>(3,484,122)</u>	\$ <u>(3,210,619)</u>



PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

CHANGES IN NET ASSETS (CONTINUED)  
LAST NINE FISCAL YEARS  
 (accrual basis of accounting)

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Governmental Activities:									
Taxes:									
Assessments	\$ 3,595,772	\$ 3,449,661	\$ 2,648,035	\$ 2,665,955	\$ 2,636,310	\$ 2,633,960	\$ 2,634,866	\$ 1,637,738	\$ 1,639,100
Impact fees	8,608	12,276	-	-	72,414	256,925	83,493	-	-
Intergovernmental revenues	549,606	940,828	1,714,363	1,661,217	1,005,451	962,586	926,208	874,109	844,159
Investment earnings	26,043	25,095	10,263	41,303	53,653	50,003	25,016	21,420	50,264
Miscellaneous	94,647	74,452	38,133	33,492	9,124	26,313	29,744	23,722	26,528
Gain on sale of capital assets	-	-	-	-	-	-	-	-	250
Transfer from Public									
Safety Pension Fund	-	-	-	-	-	-	-	12,527	-
Total governmental activities	<u>4,274,676</u>	<u>4,502,312</u>	<u>4,410,794</u>	<u>4,401,967</u>	<u>3,776,952</u>	<u>3,929,787</u>	<u>3,699,327</u>	<u>2,569,516</u>	<u>2,560,301</u>
Total primary government	<u>\$ 4,274,676</u>	<u>\$ 4,502,312</u>	<u>\$ 4,410,794</u>	<u>\$ 4,401,967</u>	<u>\$ 3,776,952</u>	<u>\$ 3,929,787</u>	<u>\$ 3,699,327</u>	<u>\$ 2,569,516</u>	<u>\$ 2,560,301</u>
CHANGE IN NET ASSETS									
Governmental activities	<u>\$ (32,123)</u>	<u>\$ 103,831</u>	<u>\$ (163,575)</u>	<u>\$ 25,348</u>	<u>\$ 91,019</u>	<u>\$ 423,619</u>	<u>\$ 286,729</u>	<u>\$ (914,606)</u>	<u>\$ (650,318)</u>
Total primary government	<u>\$ (32,123)</u>	<u>\$ 103,831</u>	<u>\$ (163,575)</u>	<u>\$ 25,348</u>	<u>\$ 91,019</u>	<u>\$ 423,619</u>	<u>\$ 286,729</u>	<u>\$ (914,606)</u>	<u>\$ (650,318)</u>

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

FUND BALANCES  
GOVERNMENTAL FUNDS  
LAST NINE FISCAL YEARS  
(modified accrual basis of accounting)

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Governmental Funds:									
Restricted	\$ 277,663	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Assigned	1,293,175	-	-	-	-	-	-	-	-
Unassigned	698,012	-	-	-	-	-	-	-	-
Reserved	-	260,092	315,190	334,196	382,199	389,317	206,563	3,600	3,003
Unreserved, undesignated	-	713,841	1,072,145	1,141,738	935,267	937,207	1,005,547	884,985	1,614,579
Unreserved, designated	-	<u>1,061,771</u>	<u>450,000</u>	<u>450,000</u>	<u>450,000</u>	<u>200,000</u>	-	-	-
Total governmental funds	<u>\$ 2,268,850</u>	<u>\$ 2,035,704</u>	<u>\$ 1,837,335</u>	<u>\$ 1,925,934</u>	<u>\$ 1,767,466</u>	<u>\$ 1,526,524</u>	<u>\$ 1,212,110</u>	<u>\$ 888,585</u>	<u>\$ 1,617,582</u>

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
LAST NINE FISCAL YEARS  
(modified accrual basis of accounting)

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
<b>REVENUES</b>									
Assessments	\$ 3,595,772	\$ 3,449,661	\$ 2,648,035	\$ 2,665,955	\$ 2,636,310	\$ 2,633,960	\$ 2,634,866	\$ 1,637,738	\$ 1,639,100
Intergovernmental	549,606	938,628	1,708,603	1,661,217	1,005,451	962,586	1,042,773	934,177	844,159
Impact fees	8,608	12,276	-	-	72,414	256,925	83,493	-	-
Charges for services	92,353	47,191	52,422	44,570	253,479	207,494	232,176	137,727	131,119
Interest earnings	26,043	25,095	10,263	41,303	53,653	50,003	25,016	21,420	50,264
Miscellaneous	94,647	76,652	43,893	34,028	9,719	37,648	29,744	19,402	26,528
<b>Total revenues</b>	<b>4,367,029</b>	<b>4,549,503</b>	<b>4,463,216</b>	<b>4,447,073</b>	<b>4,031,026</b>	<b>4,148,616</b>	<b>4,048,068</b>	<b>2,750,464</b>	<b>2,691,170</b>
<b>EXPENDITURES</b>									
Public safety:									
Fire and EMS protection	4,179,844	4,791,923	4,551,815	4,289,155	3,791,584	3,835,002	3,724,543	3,491,988	3,352,432
<b>Total expenditures</b>	<b>4,179,844</b>	<b>4,791,923</b>	<b>4,551,815</b>	<b>4,289,155</b>	<b>3,791,584</b>	<b>3,835,002</b>	<b>3,724,543</b>	<b>3,491,988</b>	<b>3,352,432</b>
Excess of revenues over (under) expenditures	187,185	(242,420)	(88,599)	157,918	239,442	313,614	323,525	(741,524)	(661,262)
<b>OTHER FINANCING SOURCES (USES)</b>									
Sale of equipment	21,500	-	-	550	1,500	800	-	-	250
Transfers in	-	-	-	-	-	-	-	12,527	-
Proceeds from capital lease obligation	24,461	440,789	-	-	-	-	-	12,527	-
<b>Total other financing sources (uses)</b>	<b>45,961</b>	<b>440,789</b>	<b>-</b>	<b>550</b>	<b>1,500</b>	<b>800</b>	<b>-</b>	<b>12,527</b>	<b>250</b>
<b>Net change in fund balances</b>	<b>\$ 233,146</b>	<b>\$ 198,369</b>	<b>\$ (88,599)</b>	<b>\$ 158,468</b>	<b>\$ 240,942</b>	<b>\$ 314,414</b>	<b>\$ 323,525</b>	<b>\$ (728,997)</b>	<b>\$ (661,012)</b>
Debt service as a percentage of noncapital expenditures	1.81%	1.35%	-%	-%	-%	-%	-%	-%	-%

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTIONS

LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Public Safety Fire and EMS</u>	<u>Capital Outlay Fire and EMS</u>	<u>Total</u>
2002	\$ 2,780,597	\$ 1,026,006	\$ 3,806,603
2003	3,192,589	159,843	3,352,432
2004	3,455,120	36,868	3,491,988
2005	3,697,222	27,321	3,724,543
2006	3,621,816	213,197	3,835,013
2007	3,722,488	69,096	3,791,584
2008	4,202,889	86,266	4,289,155
2009	4,494,904	56,911	4,551,815
2010	4,287,843	504,080	4,791,923
2011	4,155,602	24,242	4,179,844

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

GENERAL GOVERNMENTAL REVENUES BY SOURCE

LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Assessments</u>	<u>Intergovernmental</u>	<u>Impact Fees<sup>(1)</sup></u>	<u>Charge for Services</u>	<u>Investment Income</u>	<u>Miscellaneous</u>	<u>Total</u>
2002	\$ 1,643,014	\$ 819,272	\$ -	\$ 114,602	\$ 70,153	\$ 28,423	\$ 2,675,464
2003	1,639,100	844,159	-	131,119	50,264	26,528	2,691,170
2004	1,637,738	934,177	-	137,727	21,420	19,402	2,750,464
2005	2,634,866	1,042,773	83,493	232,176	25,016	29,744	4,048,068
2006	2,633,960	962,586	256,925	207,494	50,003	37,648	4,148,616
2007	2,636,310	1,005,451	72,414	253,479	53,653	9,719	4,031,026
2008	2,665,955	1,661,217	-	44,570	41,303	34,028	4,447,073
2009	2,648,035	1,708,603	-	52,422	10,263	43,893	4,463,216
2010	3,449,661	938,628	12,276	47,191	25,095	76,652	4,549,503
2011	3,595,772	549,606	8,608	92,353	26,043	94,647	4,367,029

<sup>(1)</sup> The District adopted an Impact Fee Resolution during the fiscal year ended September 30, 2005.

# **REVENUE CAPACITY**

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

ASSESSMENT FEE SCHEDULE  
September 30, 2010

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
SINGLE RESIDENCES	\$ 120.00	\$ 190.00	\$ 190.00	\$ 190.00	\$ 190.00	\$ 190.00	\$ 260.00	\$ 260.00
APARTMENTS AND CONDOMINIUMS	120.00	190.00	190.00	190.00	190.00	190.00	260.00	260.00
MOTELS: Manager's or Owner's Quarters	120.00	190.00	190.00	190.00	190.00	190.00	260.00	260.00
MOTELS: Rental Units (Efficiencies or otherwise)	60.00	95.00	95.00	95.00	95.00	95.00	165.00	165.00
VACANT LOTS: Each Lot	20.00	25.00	25.00	25.00	25.00	25.00	95.00	95.00
UNPLATTED LAND: Each Acre	-	54.00	54.00	54.00	54.00	54.00	124.00	124.00
COMMERCIAL UNITS: Up to 500 Sq. Ft. Per sq. foot over the first 500 Sq. Ft.	180.00 0.15	216.00 0.20	216.00 0.20	216.00 0.20	216.00 0.20	216.00 0.20	286.00 0.20	286.00 0.20
MOBILE HOME LOTS: Occupied by Manager or Owner	120.00	190.00	190.00	190.00	190.00	190.00	260.00	260.00
MOBILE HOME LOTS: Rental Space	60.00	95.00	95.00	95.00	95.00	95.00	165.00	165.00
RECREATIONAL VEHICLE LOTS: Occupied by Manager or Owner	120.00	190.00	190.00	190.00	190.00	190.00	260.00	260.00
RECREATIONAL VEHICLE LOTS: Rental Space	60.00	95.00	95.00	95.00	95.00	95.00	165.00	165.00
FUEL PUMPS (Any number)	370.00	555.00	555.00	555.00	555.00	555.00	625.00	625.00
ABOVE GROUND OIL STORAGE TANKS: 5000 gal. or less	280.00	420.00	420.00	420.00	420.00	420.00	490.00	490.00
Each 1000 gal. or fraction thereof over 5000	11.00	15.00	15.00	15.00	15.00	15.00	85.00	85.00
HOTELS:	210.00	315.00	315.00	315.00	315.00	315.00	385.00	385.00
(a) With Kitchen..... additional	210.00	315.00	315.00	315.00	315.00	315.00	385.00	385.00
(b) With Dining Room..... additional	210.00	315.00	315.00	315.00	315.00	315.00	385.00	385.00
(c) With Bar..... additional	210.00	315.00	315.00	315.00	315.00	315.00	385.00	385.00
(d) Each Room..... additional	30.00	45.00	45.00	45.00	45.00	45.00	115.00	115.00

Voters approved an increased tax assessment by referendum on September 23, 2003. The increased tax assessment was not collected until November 2004. (Fiscal year ended September 30, 2005)

Voters approved an increased tax assessment by referendum on March 11, 2008. The increase will not be collected until November 2009 (Fiscal year ending September 30, 2010)

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Taxable Assessed Valuation</u>	<u>Millage Rate</u>	<u>Levy</u>	<u>Less Collection Fees Discounts and County Reallocation</u>	<u>EMS Contract Collections*</u>
2002	\$ 1,532,763,900	0.66	\$ 1,011,624	\$ 192,352	\$ 819,272
2003	1,777,420,100	0.66	1,173,097	328,938	844,159
2004	2,034,940,300	0.66	1,343,061	468,952	874,109
2005	2,300,368,100	0.66	1,518,243	595,937	922,306
2006	2,776,779,800	0.63	1,832,675	874,987	957,688
2007	4,049,176,510	0.63	2,550,981	1,549,970	1,001,011
2008	3,555,619,328	0.5832	2,073,637	430,132	1,643,505
2009	3,559,423,786	0.5832	2,075,856	367,253	1,708,603
2010	*	0.5832	*	*	938,628
2011	*	0.5832	*	*	545,986

\*Includes revenue for the Redington EMS District.

\*This information was not available from Pinellas County FYE 9/30/11 or FYE 9/30/10.



PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY  
LAST EIGHT FISCAL YEARS

<u>Fiscal Year Ended September 30</u>	<u>Residential Property</u>	<u>Commercial Property</u>	<u>Other Property</u>	<u>Less: Tax-Exempt Property</u>	<u>Total Taxable Assessed Value</u>
2004	\$ 2,111,360,500	\$ 87,652,500	\$ 57,920,700	\$ 221,993,400	\$ 2,034,940,300
2005	2,375,865,100	89,409,100	68,607,300	233,513,400	2,300,368,100
2006	2,836,073,300	105,702,900	82,561,200	247,377,600	2,776,959,800
2007	4,135,371,850	154,128,878	120,385,203	360,709,421	4,049,176,510
2008	3,438,749,815	116,854,435	174,000	158,922	3,555,619,328
2009	3,388,474,136	108,555,200	62,604,200	209,750	3,559,423,786
2010	*	*	*	*	*
2011	*	*	*	*	*

\* This information was not available from Pinellas County for the fiscal years ended September 30, 2010 and 2011.

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

TAXABLE ASSESSED PROPERTY BY TYPE  
LAST TEN FISCAL YEARS

Fiscal Year	Single Family	Mobile Homes	Condominiums and Cooperatives	Multi-Family	Retirement Homes	Commercial	Industrial	Institutional and Agricultural	Miscellaneous	Total
2002 \$	812,330,700 \$	96,300 \$	520,261,900 \$	116,148,900 \$	272,000 \$	75,419,700 \$	2,901,300 \$	1,408,200 \$	934,900 \$	1,532,763,900
2003	904,318,700	95,500	655,014,700	130,850,500	291,800	81,318,400	2,992,500	1,527,800	1,010,200	1,777,420,100
2004	1,017,143,600	55,300	785,490,300	141,735,200	298,900	84,423,700	3,078,800	1,608,700	1,105,800	2,034,940,300
2005	1,149,957,600	38,100	895,492,300	162,297,400	156,100	86,224,100	3,085,000	1,773,000	1,344,500	2,300,368,100
2006	1,342,450,900	4,752,900	1,139,611,900	180,921,000	179,000	102,187,900	3,390,000	1,976,200	1,490,000	2,776,959,800
2007	1,957,471,855	6,930,360	1,661,705,631	263,806,867	261,006	149,003,541	4,943,070	2,881,562	2,172,618	4,049,176,510
2008	1,794,299,899	7,090,515	1,483,787,063	151,957,870	221,855	112,086,365	4,768,070	1,167,100	240,591	3,555,619,328
2009	*	*	*	*	*	*	*	*	*	3,559,423,786
2010	*	*	*	*	*	*	*	*	*	*
2011	*	*	*	*	*	*	*	*	*	*

\* This breakdown has not been available from Pinellas County for any of the Special Districts subsequent to the fiscal year ended 9/30/08.

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

TAXABLE VALUATIONS, ASSESSMENTS  
LEVIED AND COLLECTED  
LAST TEN FISCAL YEARS

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Taxable valuation	\$ <u>1,532,763,900</u>	\$ <u>1,777,420,100</u>	\$ <u>2,034,940,300</u>	\$ <u>2,300,368,100</u>	\$ <u>2,776,959,800</u>	\$ <u>4,049,176,510</u>	\$ <u>3,555,619,328</u>	\$ <u>3,559,423,786</u>	\$ *	\$ *
Total assessments levied	\$ 1,664,880	\$ 1,680,751	\$ 1,680,576	\$ 2,695,678	\$ 2,693,266	\$ 2,693,540	\$ 2,757,406	\$ 2,728,482	\$ *	\$ *
Less: Adjustments and discounts	<u>21,866</u>	<u>41,651</u>	<u>42,838</u>	<u>60,812</u>	<u>59,306</u>	<u>57,230</u>	<u>91,451</u>	<u>80,447</u>	<u>*</u>	<u>*</u>
Net assessments levied	\$ <u>1,643,014</u>	\$ <u>1,639,100</u>	\$ <u>1,637,738</u>	\$ <u>2,634,866</u>	\$ <u>2,633,960</u>	\$ <u>2,636,310</u>	\$ <u>2,665,955</u>	\$ <u>2,648,035</u>	\$ *	\$ *
Net assessments collected	\$ <u>1,643,014</u>	\$ <u>1,639,100</u>	\$ <u>1,637,738</u>	\$ <u>2,634,866</u>	\$ <u>2,633,960</u>	\$ <u>2,636,310</u>	\$ <u>2,655,955</u>	\$ <u>2,648,035</u>	\$ *	\$ *

\* This information has not been available from Pinellas County subsequent to the fiscal year ended September 30, 2009.

## **DEBT CAPACITY**

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

COMPUTATION OF OVERLAPPING DEBT  
GENERAL OBLIGATION BONDS AND OTHER DEBT<sup>(2)</sup>  
SEPTEMBER 30, 2011

	<u>Net General Obligation Bonded Debt Outstanding</u>	<u>Net General Nonsell- Supporting Revenue Debt</u>	<u>Total</u>	<u>Percentage Applicable to District</u>	<u>Amount Applicable to District</u>
Overlapping debt:					
Pinellas County School Board (1)	\$ 34,427,800	\$ -	\$ 34,427,800	*	\$ *
Total Overlapping debt					
RATIO:					
Overall debt to 2011 taxable value				* %	
Overall debt per capita				\$ *	

<sup>(1)</sup> The District's share is calculated based on the ratio of the 2010 County Taxable Value of \$58,203,688,579 to the District's Taxable Value of \$\_\_\_\_\_\*

<sup>(2)</sup> The District has no direct general obligation bonded debt.

\* The information for this schedule was not available from Pinellas County for FYE 9/30/11.

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

LEGAL DEBT MARGIN INFORMATION  
LAST SEVEN FISCAL YEARS

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Legal Debt Margin Calculation: <sup>(1)</sup>							
Total budgeted revenues of the District for the fiscal year ended September 30	\$ 4,101,236	\$ 4,560,690	\$ 4,503,050	\$ 4,449,949	\$ 3,960,462	\$ 3,914,778	\$ 3,689,553
Limitation on debt service	<u>50%</u>	<u>50%</u>	<u>50%</u>	<u>50%</u>	<u>50%</u>	<u>50%</u>	<u>50%</u>
Maximum annual debt service allowable	\$ <u>2,050,618</u>	\$ <u>2,280,345</u>	\$ <u>2,251,525</u>	\$ <u>2,224,975</u>	\$ <u>1,980,231</u>	\$ <u>1,957,389</u>	\$ <u>1,844,776</u>
Total current year's principal and interest payments on the District's outstanding debt: Capital lease note	\$ <u>73,992</u>	\$ <u>75,931</u>	\$ -	\$ -	\$ -	\$ -	\$ -
Total principal and interest payments, fiscal year ended September 30	\$ <u>73,992</u>	\$ <u>75,931</u>	\$ -	\$ -	\$ -	\$ -	\$ -

<sup>(1)</sup> In accordance with c.189 Florida Statutes.

## **OPERATING INFORMATION**

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

FULL-TIME EQUIVALENT  
DISTRICT EMPLOYEES BY FUNCTION  
LAST NINE FISCAL YEARS

<u>FUNCTION</u>	Full-Time Equivalent Employees as of September 30,								
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Public Safety:									
Fire:									
- Firefighters	12	14	12	16	14	17	17	18	18
- EMS Professionals	15	15	15	18	19	18	21	21	20
- Administrative Staff	8	8	8	8	7	7	7	7	7
- Mechanic and maintenance	2	2	2	2	2	2	2	2	2

Note: 2010 includes two part time firefighter positions that were terminated as of 10/1/10.



PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

OPERATING INDICATORS BY FUNCTIONS  
LAST NINE FISCAL YEARS

<u>FUNCTION</u>	<u>Fiscal Year Ended September 30,</u>								
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Public Safety:									
Fire:									
Number of Fire calls	377	937	806	627	650	1,072	1,111	1,340	1,114
Number of EMS calls	2,214	3,209	2,346	2,526	2,531	3,937	3,956	3,926	3,670
District population	27,018	27,018	12,438	12,339	12,315	12,278	12,241	12,056	11,954

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

CAPITAL ASSETS STATISTICS  
LAST EIGHT FISCAL YEARS

<u>FUNCTION</u>	<u>Fiscal Year Ended September 30,</u>								
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Public Safety:									
Fire/EMS:									
Fire Stations	2	2	3	3	3	3	3	3	3
Fire Engines	4	4	4	4	4	4	4	4	4

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

SCHEDULE OF INSURANCE IN FORCE

September 30, 2011

<u>Policy Number</u>	<u>Type of Coverage</u>	<u>Effective Date</u>	<u>Company</u>	<u>Limit of Liability</u>	<u>Premium</u>
VFIS-TR- 2065196-00/000	Property -Sta 27	1/18/2011	American	\$ 1,247,016	\$ 3,721
	Property - Sta 28		Alternative Insurance	651,219	241
	Management Liability			2,000,000	1,076
	General Liability	1/18/2011		2,000,000	2,822
	Employee Dishonesty	1/18/2011		500,000	7,788
	Portable Equipment	1/18/2011		250,000	
VFIS-CU- 5058223-00/000	Umbrella	1/18/2011	American Alternative Insurance	2,000,000	3,214
VFIS-CM- 1059191-00/000	Auto	1/18/2011		1,000,000	12,945
WC FL 10524 001 09-045	Worker's Compensation	10/1/2010	FCCI	1,000,000	76,866
RSB4023203	Public Official	11/19/2010	Mortellite	5,000	
RSB4023202	Bond	11/19/2010	Hafner	5,000	
RSB0212944		11/17/2012	Madura	5,000	
LSM0020019		1/22/2014	Schear	5,000	
DSR1064721		11/6/2012	Hartzel	5,000	148
VFP-4410-6007D-0	Accidental Death - Volunteers	1/18/2011		50,000	368
CFP-5410-0288D-0	Accidental Death - Paid	1/18/2011		50,000	5,678
SRG 00091 22897	Blanket Accident Insurance	10/1/2010		50,000	
<b>TOTAL PREMIUMS</b>					<b>\$ 114,867</b>

## **OTHER REPORTS**

**PINELLAS SUNCOAST  
FIRE & RESCUE DISTRICT**

REPORT ON  
INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH  
*GOVERNMENTAL AUDITING STANDARDS*

AND

MANAGEMENT LETTER

AND

MANAGEMENT MEMORANDUM  
ON REVIEW OF INTERNAL CONTROL STRUCTURE

September 30, 2011

**REPORT ON  
INTERNAL CONTROL  
AND COMPLIANCE**

**Davidson, Jamieson & Cristini, P.L.**  
**Certified Public Accountants**

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Board of Commissioners  
Pinellas Suncoast Fire & Rescue District  
Indian Rocks Beach, Florida

**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***

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, the budgetary comparisons for the general fund, and the aggregate remaining fund information of the District as of and for the year ended September 30, 2011, which collectively comprise the District's basic financial statements and have issued our report thereon dated March 30, 2012.

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

**Internal Control Over Financial Reporting**

Management of the District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

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

Board of Commissioners  
Pinellas Suncoast Fire & Rescue District  
Indian Rocks Beach, Florida

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we considered to be material weaknesses, as defined above.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

We noted certain matters that we reported to management of the District in a separate letter dated March 30, 2012.

This report is intended for the information of the Pinellas Suncoast Fire & Rescue District and the State of Florida Office of the Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

*Davidson, Jamieson & Crestine, P.L.*

March 30, 2012



**MANAGEMENT LETTER**

**Davidson, Jamieson & Cristini, P.L.**  
**Certified Public Accountants**

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The Board of Commissioners  
Pinellas Suncoast Fire & Rescue District  
Indian Rocks Beach, Florida

We have audited the financial statements of the Pinellas Suncoast Fire & Rescue District as of and for the fiscal year ended September 30, 2011 and have issued our report thereon dated March 30, 2012.

We conducted our audit in accordance with United States generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. We have issued our Independent Auditor's Report on Compliance and Internal Control over Financial Reporting. Disclosures in that report, which are dated March 30, 2012 should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with Chapter 10.550, Rules of the Auditor General which governs the conduct of local governmental entity audits performed in the State of Florida. This letter includes the following information which is not included in the aforementioned auditor's reports or schedule:

Those rules (Section 10.554(1)(i)(1)) require that we address in the management letter, if not already addressed in the auditor's report on internal controls and compliance, whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings or recommendations made on internal control and compliance issues during the preceding annual financial audit.

As required by the Rules of the Auditor General (Section 10.554(1)(i)(2)), the scope of our audit included a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the Town complied with Section 218.415, Florida Statutes.

The Board of Commissioners  
Pinellas Suncoast Fire & Rescue District  
Indian Rocks Beach, Florida

As required by the Rules of the Auditor General (Section 10.554(1)(i)(3)), the scope of our audit included a review of possible recommendations to improve the local government entity's financial management. In connection with our audit we did not have any such recommendations.

The Rules of the Auditor General (Section 10.554(1)(i)(4)) requires address violations of provisions of contracts or grant agreements, or abuse, that have an effect on the financial statements that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings.

The Rules of the Auditor General (Section 10.554(1)(i)(5)) provides that the auditor may, based on professional judgment, report the following matters that have an inconsequential effect on financial statements, considering both quantitative and qualitative factors: (a) violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse, and (b) control deficiencies that are not significant deficiencies. In connection with our audit, we did not have any such findings.

The Rules of the Auditor General (Section 10.554(1)(i)(6)) requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter unless disclosed in the notes to the financial statements. Legal authority includes the general law, special acts, ordinances, resolutions, or other means by which the local government entity was created and is governed. This disclosure has been included in the District's Comprehensive Annual Financial Report for the fiscal year ended September 30, 2011.

The Rules of the Auditor General (Section 10.554(1)(i)(7)(a)) requires that the auditor state whether or not the governmental entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes and identify the specific condition or conditions met. During the course of our audit of the District's financial statements for the fiscal year ended September 30, 2011, we found that the District's did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

The Rules of the Auditor General (Section 10.554(1)(i)(7)(b)) requires a statement as to whether or not the financial report filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the current audit period. We determined that the Comprehensive Annual Financial Report for the District for the fiscal year ended September 30, 2011 is in agreement with the financial report filed with the Florida Department of Financial Services for the fiscal year ended September 30, 2011.

The Board of Commissioners  
Pinellas Suncoast Fire & Rescue District  
Indian Rocks Beach, Florida

The Rules of the Auditor General (Section 10.554(1)(i))(7)(c) and 10.556(7)) requires that we apply financial condition assessment procedures. It is management's responsibility to monitor the District's financial condition and our financial condition assessment was based in part on representations made by management and the review of financial information provided by them.

Pursuant to Chapter 119, Florida Statutes, this management letter is public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this letter is intended solely for the information and use of management, and the Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

*Davidson, Jamieson & Crestine, P.L.*

March 30, 2012

**MEMORANDUM ON REVIEW  
OF INTERNAL CONTROL STRUCTURE**

**Davidson, Jamieson & Cristini, P.L.**  
**Certified Public Accountants**  
1956 Bayshore Boulevard  
Dunedin, Florida 34698-2503  
(727)734-5437 or 736-0771  
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*Members of the Firm*  
John N. Davidson, CPA, CVA  
Harry B. Jamieson, CPA  
Richard A. Cristini, CPA, CPPT, CGFM

Member  
American Institute of  
Certified Public Accountants  
Florida Institute of  
Certified Public Accountants

March 30, 2012

The Board of Commissioners  
Pinellas Suncoast Fire & Rescue District  
Indian Rocks Beach, Florida

We have audited the basic financial statements of the governmental activities, the business-type activities, each major fund, the budgetary comparisons for the general fund and the aggregate remaining fund information which collectively comprise the basic financial statements of the Pinellas Suncoast Fire & Rescue District of and for the year ended September 30, 2011, and have issued our report thereon dated March 30, 2012.

We have issued our Report on Compliance and Internal Accounting Controls in Accordance with *Government Auditing Standards* dated March 30, 2012. Disclosures in that report, if any, should be considered in conjunction with this management memorandum.

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

In planning and performing our audit of the financial statements of Pinellas Suncoast Fire & Rescue District we considered the District's internal control structure to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

However, during our audit we observed a matter that is an opportunity for strengthening internal control and operating efficiency.

**CURRENT YEAR**

Accrued Leave

**PRIOR YEAR**

Implementation of GASB Statement 54

## **CURRENT YEAR**

### **Accrued Leave**

During the fiscal year ended September 30, 2011 the detailed schedules for the accrued leave for vacation, holiday, and sick time that was earned and used was maintained using a special software program. It is our understanding that this program was not under the supervision of Finance. Since this is an internal control accounting issue, we recommend that the District's Finance Department assume the responsibility for maintaining these schedules.

**PRIOR YEAR**

**Implementation of GASB Statement 54**

Last year we reminded the District that the new GASB Statement 54 “Fund Balance Reporting and Governmental Fund Type Definitions” had to be implemented for the fiscal year ended September 30, 2011.

This recommendation has been implemented.



\* \* \* \* \*

This memorandum is intended solely for the use of the District's Board of Commissioners, management, the Pinellas County, Florida Board of County Commissioners and the Florida Auditor General and is not intended to be and should not be read by anyone other than specified parties.

We appreciate the courtesy and assistance provided to us by the District's personnel during our audit. We will review the status of the above comments during our next audit engagement. We have already discussed many of these comments and suggestions with District personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

***DAVIDSON, JAMIESON & CRISTINI, P.L.***

**MANAGEMENT'S RESPONSE**



FIRE CHIEF  
ROBERT O. POLK, JR.

## *Pinellas Suncoast Fire & Rescue*

304 FIRST STREET  
INDIAN ROCKS BEACH, FLORIDA 33785-2508

(727) 595-1117 FAX: (727) 595-5879

[www.psfrd.org](http://www.psfrd.org)

April 12, 2012

Davidson, Jamieson & Cristini, P.L.  
Ms. Jeanine L. Bittinger, CPA, CPPT  
1956 Bayshore Blvd.  
Dunedin, FL 34698-2503

Dear Jeanine:

In reference to your March 30, 2012 letter to the Board of Commissioners regarding your recommendation for the special software program maintenance for accrued leave of vacation, holiday, and sick time that was earned and used, be transferred to the supervision of the District's Finance Department. Please be advised that we are in agreement with your recommendation and subsequent to our discussion on the subject we transferred the responsibility of this internal control to the Finance Department on Feb. 16, 2012.

We would like to thank you for bringing this matter to our attention, as it provided an opportunity to strengthen an internal control operation that compliments our continuous efforts for process improvement efficiencies.

Sincerely,

A handwritten signature in blue ink, appearing to read "David Martin", is written over a horizontal line.

David Martin  
Finance Director

cc. Chief Polk