

**CEDAR HAMMOCK
FIRE CONTROL DISTRICT
FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

**CEDAR HAMMOCK FIRE CONTROL DISTRICT
FINANCIAL STATEMENTS**

TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR’S REPORT	1 – 3
MANAGEMENT’S DISCUSSION AND ANALYSIS	4 – 8
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS:	
STATEMENT OF NET POSITION	9
STATEMENT OF ACTIVITIES	10
FUND FINANCIAL STATEMENTS:	
BALANCE SHEET – GOVERNMENTAL FUND	11
RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUND TO THE STATEMENT OF NET POSITION	12
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUND	13
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES	14
STATEMENT OF POSTEMPLOYMENT HEALTHCARE PLAN NET POSITION – FIDUCIARY FUND	15
STATEMENT OF CHANGES IN POSTEMPLOYMENT HEALTHCARE PLAN NET POSITION – FIDUCIARY FUND	16
NOTES TO FINANCIAL STATEMENTS	17 – 37
REQUIRED SUPPLEMENTARY INFORMATION:	
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL – GENERAL FUND	38
SCHEDULE OF THE DISTRICT’S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY – FRS	39

**CEDAR HAMMOCK FIRE CONTROL DISTRICT
FINANCIAL STATEMENTS**

TABLE OF CONTENTS – CONTINUED

	<u>PAGE</u>
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY – HIS	40
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS – FRS	41
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS – HIS	42
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION	43
SCHEDULE OF CHANGES IN THE DISTRICT'S NET OPEB LIABILITY AND RELATED RATIOS	44
SCHEDULE OF THE DISTRICT'S OPEB CONTRIBUTIONS	45
SCHEDULE OF INVESTMENT RETURNS–OTHER POST–EMPLOYMENT HEALTHCARE PLAN	46
OTHER SUPPLEMENTARY INFORMATION:	
SCHEDULE OF OPERATING EXPENDITURES – BUDGET AND ACTUAL – GENERAL FUND	47
OTHER INFORMATION	
SCHEDULE OF FIRE ASSESSMENT RATES	48–51
OTHER REPORTS	
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	52 – 53
MANAGEMENT LETTER	54 – 56
INDEPENDENT ACCOUNTANT'S REPORT ON INVESTMENT COMPLIANCE	57
IMPACT FEE AFFIDAVIT	58

INDEPENDENT AUDITOR'S REPORT

**Board of Commissioners
Cedar Hammock Fire Control District
Manatee County, Florida**

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Governmental Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error,

as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such

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

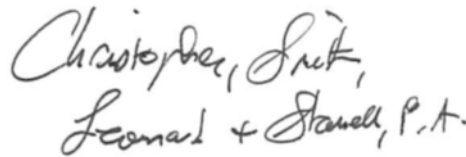
Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 6, 2023 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

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

March 6, 2023
Bradenton, Florida



CEDAR HAMMOCK FIRE RESCUE

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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

Financial Highlights

- The District's net position at September 30, 2022 on the government wide basis was a deficit of \$(4,182,570). The primary reason it is a deficit is due to the District's net pension liability of \$13,355,728 and OPEB liability of \$7,477,560. The District's total net position increased by \$1,086,842 at the government wide level.
- As of the close of the current fiscal year, the District's governmental fund reported ending fund balances of \$9,854,241, an increase of \$222,494 in comparison with the prior year. Of this total amount, \$2,151,215 is *available for spending* at the District's discretion (*unassigned fund balance*).
- The District's total long-term obligations, including long term debt, compensated absences, OPEB liability and net pension liability was \$22,781,248 at fiscal year-end.

Overview of the Financial Statements

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

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

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

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

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

The government-wide financial statements can be found on pages 9 and 10 of this report.

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

Governmental funds. Governmental funds focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. These funds are reported using the modified accrual method of accounting and the current financial resources focus. As a result, long-term assets and liabilities are not included. The District uses a General fund which is the general operating fund. All general tax revenues are accounted for in this fund. From this fund all general operating expenditures and budgeted debt service and capital expenditures are paid.

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

The District adopts an annual budget for its governmental funds. A budgetary comparison statement has been provided to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 11 to 14 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The fiduciary fund is not reflected in the government-wide financial statements because the resources of that fund are not available to support the District's own programs. The District uses a fiduciary fund to account for its Post Employment Health Insurance Subsidy Plan. At year end the fund had \$2,152,992 of assets in trust, which decreased \$328,223 from the previous year. The Fiduciary fund statements are on pages 15 and 16.

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 beginning on page 17.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Cedar Hammock Fire Control District, net position (deficit), which is assets and deferred outflows of resources less liabilities and deferred inflows of resources was \$(4,182,570) at the close of the most recent fiscal year.

The largest portion of the District's net position, \$6,841,192, reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide fire protection and emergency services to citizens within the boundaries of the District; consequently, these assets are *not* available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A condensed comparative statement of net position follows:

Net Position		
	Governmental Activities	Governmental Activities
	2022	2021
Current and other assets	\$ 10,144,983	\$ 10,050,545
Capital assets	7,908,152	6,848,813
Total assets	18,053,135	16,899,358
Deferred outflow of resources	6,380,443	6,120,603
Long-term liabilities outstanding	22,781,248	16,559,333
Other liabilities	290,742	418,798
Total liabilities	23,071,990	16,978,131
Deferred inflow of resources	5,544,158	11,311,242
Net position:		
Net investment in capital assets	6,841,192	5,327,211
Restricted	480,707	922,895
Unrestricted	(11,504,469)	(11,519,518)
Total net position	\$ (4,182,570)	\$ (5,269,412)

An additional portion of the District's net position, \$442,946, represents resources from impact fees that are subject to external restrictions on how they may be used. \$37,761 is restricted for light technical rescue team (LTRT). The remaining balance of *unrestricted net position* is a deficit of \$(11,504,469) due to the adoption of GASB Statement No. 68 and the District's proportionate share of the FRS net pension liability of \$13,355,728, and GASB Statement No. 75 for the District's net OPEB liability of \$7,477,560.

A condensed comparative statement of activities follows:

Changes in Net Position		
	Governmental Activities	Governmental Activities
	2022	2021
Revenues:		
Program revenues:		
Operating grants	\$ 16,188	\$ 135,948
Charges for services	125,174	87,650
General revenues:		
Fire assessments	13,158,272	12,151,158
Impact fees	70,692	256,094
Other	160,053	199,630
Total revenues	13,530,379	12,830,480
Expenses:		
Fire protection services	11,767,209	10,633,245
Depreciation	640,145	586,209
Interest on long-term debt	36,183	48,581
Total expenses	12,443,537	11,268,035
Increase (Decrease) in Net Position	1,086,842	1,562,445
Net Position – Beginning	(5,269,412)	(6,831,857)
Net position – Ending	\$ (4,182,570)	\$ (5,269,412)

- Fire assessment taxes increased by \$727,941 during the year and ad valorem taxes increased \$279,173.
- Grant revenue decreased by \$119,760, primarily due to fewer FEMA reimbursements, and the Safer grant.
- Expenses increased \$1,175,502 due mainly to an increase in fire protection services, capital outlay, net pension liability and net OPEB liability as calculated by the actuaries.

Financial Analysis of the District's Funds

The District utilizes one governmental fund, which is the General Fund.

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

As of the end of the current fiscal year, the District's governmental fund (general fund) reported ending fund balances of \$9,854,241, an increase of \$222,494 in comparison with the prior year. Of this total, \$3,135,000 is committed fund balance, which is approved for employee benefits and various capital improvements and repairs, and \$3,500,000 is assigned fund balance, which is approved for emergencies and contingencies based on the District's approved budget. \$480,707 is restricted from impact fees and LTRT. The impact fees are to be spent only on the acquisition, construction or purchase of assets required to provide fire protection and emergency services. \$2,151,215 is unassigned, which may be used at the District's discretion. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents approximately 16 percent of total general fund expenditures.

The fund balance of the District's general fund increased \$222,494 during the current fiscal year. The significant activity is as follows:

- Expenditures in the general fund increased by \$1,211,132. Personal service costs increased \$172,584, operating costs increased \$79,958 and capital outlay increased \$958,589.
- Revenues increased by \$660,073. Fire assessments increased \$727,941, ad valorem tax revenues increased \$279,173, impact fees decreased \$185,402, investment earnings decreased \$107,810 due to market value adjustments, and grants decreased \$119,760.

General Fund Budgetary Highlights

During the year, the General Fund budget was amended. The final and original budgeted revenues were \$13,074,156. The final budgeted expenditures were \$15,143,460 compared to the original budget of \$13,074,156. Amendments to expenditures included additional amounts budgeted for operating costs and capital outlay expenditures. For the current fiscal year, actual revenues exceeded budgeted revenue by \$416,397 due mainly to additional tax assessments, impact fees, and charges for services. Actual expenditures were less than budget by \$1,835,575 due mainly to less personal service, operating and capital outlay costs than anticipated.

Capital Assets

The District's investment in capital assets for the year amounts to \$7,908,152 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, and machinery and equipment. A current year increase in capital assets of \$1,059,339 was comprised of \$1,727,794 of capital additions, loss on disposals of \$28,310 and depreciation expense of \$640,145.

Capital Assets

	Governmental Activities	Governmental Activities
	2022	2021
Land	\$ 695,482	\$ 695,482
Construction in progress	-0-	26,749
Building and improvements	4,619,567	3,171,868
Machinery and equipment	2,593,103	2,954,714
Total (net of depreciation)	<u>\$ 7,908,152</u>	<u>\$ 6,848,813</u>

Significant capital additions in the current year included construction of the training tower. See note B of this report for additional information on the District's capital assets.

Long-Term Obligations

At the end of the current fiscal year, the District had total long-term obligations outstanding of \$22,781,248. The District's debt represents notes payable secured solely by specified revenue sources (i.e., fire assessments and impact fee revenues), as well as equipment and totaled \$1,066,960. Also included in long-term obligations are the District's net OPEB liability of \$7,477,560, net pension liability of \$13,355,728 and accrued compensated absences of \$881,000.

Additional information on the District's long-term debt can be found in note C of this report.

Economic Factors and Next Year's Budgets and Rates

The millage rate is at 1.3 mills for the fiscal year ending September 30, 2023. Committed funds will be allocated for new fire engines and rescue equipment, updating communication equipment, and facility maintenance. Unassigned reserves will be moved to increase the balance of the committed funds for purchases and the assigned 90 day operating fund.

Requests for Information

This financial report is designed to provide a general overview of the Cedar Hammock Fire Control District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the District at, Cedar Hammock Fire Control District, 5200 26th Street West, Bradenton, Florida 34207.

CEDAR HAMMOCK FIRE CONTROL DISTRICT
STATEMENT OF NET POSITION
SEPTEMBER 30, 2022

	<u>GOVERNMENTAL ACTIVITIES</u>
ASSETS	
Cash and cash equivalents	\$ 410,327
Investments	8,543,489
Due from other governments	123,141
Restricted:	
Cash and cash equivalents	37,761
Investments	442,946
Deposit on capital asset	587,319
Capital assets (net of accumulated depreciation):	
Land	695,482
Other capital assets, net of depreciation	7,212,670
Total Assets	<u>18,053,135</u>
Deferred outflows of Resources	
Deferred outflows of OPEB resources	2,758,743
Deferred outflows of pension resources	3,621,700
	<u>6,380,443</u>
LIABILITIES	
Accounts payable and other current liabilities	290,742
Noncurrent liabilities:	
Due within one year	467,277
Due in more than one year	22,313,971
Total Liabilities	<u>23,071,990</u>
Deferred inflows of Resources	
Deferred inflows of pension earnings	1,309,595
Deferred inflows of OPEB earnings	4,234,563
	<u>5,544,158</u>
NET POSITION	
Net investment in capital assets	6,841,192
Restricted for:	
Impact fees and LTRT	480,707
Unrestricted	<u>(11,504,469)</u>
TOTAL NET POSITION	<u><u>\$ (4,182,570)</u></u>

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

**CEDAR HAMMOCK FIRE CONTROL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	GOVERNMENTAL ACTIVITIES
Public Safety–Fire Protection	
Personal services	\$ 10,289,022
Operating expenses	1,478,187
Depreciation	640,145
Interest expense	36,183
Total Program Expenses	<u>12,443,537</u>
Program Revenues:	
Operating grants	16,188
Charges for services	125,174
Net Program Expense	<u>12,302,175</u>
General Revenues:	
Fire assessments	13,158,272
Impact fees	70,692
Investment earnings	(85,411)
Miscellaneous	245,464
Total General Revenues	<u>13,389,017</u>
Increase (Decrease) in Net Position	1,086,842
Net Position – Beginning	<u>(5,269,412)</u>
Net Position – Ending	<u><u>\$ (4,182,570)</u></u>

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

**CEDAR HAMMOCK FIRE CONTROL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUND
SEPTEMBER 30, 2022**

	GENERAL FUND
ASSETS	
Cash and cash equivalents	\$ 410,327
Investments	8,543,489
Due from other governments	123,141
Deposit on capital asset	587,319
Restricted Assets:	
Cash and cash equivalents	37,761
Investments	442,946
TOTAL ASSETS	<u>\$ 10,144,983</u>
LIABILITIES	
Accounts payable	\$ 108,475
Accrued wages payable	182,267
Total Liabilities	<u>290,742</u>
Fund Balances:	
Nonspendable	587,319
Spendable	
Restricted	480,707
Committed	3,135,000
Assigned	3,500,000
Unassigned	2,151,215
Total fund balances	<u>9,854,241</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 10,144,983</u>

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

**CEDAR HAMMOCK FIRE CONTROL DISTRICT
RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUND
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2022**

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

Fund Balance – Total Governmental Fund	\$ 9,854,241
Capital assets used in governmental activities are not financial resources and therefore are not reported in the general fund.	7,908,152
Deferred outflows of resources related to the pension plan do not utilize current financial resources and, therefore are not reported in the general fund.	3,621,700
Deferred outflows of resources related to the OPEB plan do not utilize current financial resources and, therefore are not reported in the general fund.	2,758,743
Deferred inflows of resources related to the pension plan are not available current financial resources and, therefore are not reported in the general fund.	(1,309,595)
Deferred inflows of resources related to the OPEB plan are not available current financial resources and, therefore are not reported in the general fund.	(4,234,563)
Liabilities, including notes payable, long-term compensated absences, net pension liability and net OPEB liability are not due and payable in the current period and therefore are not reported in the general fund.	<u>(22,781,248)</u>
Net Position of Governmental Activities	<u>\$ (4,182,570)</u>

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

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

	GENERAL FUND
REVENUES	
Tax assessments	\$ 8,786,744
Ad valorem tax	4,371,528
Operating grants	16,188
Impact fees	70,692
Investment earnings (loss)	(85,411)
Miscellaneous	223,638
Charges for services	107,174
Total Revenues	<u>13,490,553</u>
EXPENDITURES	
Current:	
Personal service	9,639,388
Operating	1,403,955
Debt Service:	
Principal retirement	454,643
Interest	36,183
Capital outlay	1,773,716
Total Expenditures	<u>13,307,885</u>
Other Financing Sources (Uses)	
Proceeds from sale of assets	39,826
Total Other Financing Sources (Uses)	<u>39,826</u>
Net Change in Fund Balance	222,494
FUND BALANCES – Beginning	<u>9,631,747</u>
FUND BALANCES – Ending	<u><u>\$ 9,854,241</u></u>

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

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

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

Net changes in fund balances – total government funds	\$ 222,494
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital additions exceeds depreciation expense and loss on disposal of assets.	1,059,340
The repayment of the principal on long-term debt consumes the current financial resources of the general fund. However, the transaction has no effect on net position.	454,642
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 the general fund. This amount represents the change in long-term compensated absences.	(118,000)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the general fund. This amount represents the net change in the net OPEB obligation, deferred outflows and deferred inflows of resources related to OPEB.	(427,899)
The effects of long term accounts and pension resources do not provide current financial resources and as such are not recorded in the general fund. This amount represents the net change in the net pension liability, deferred outflows and deferred inflows of resources related to the net pension liability.	(103,735)
Change in Net Position of Governmental Activities	<u>\$ 1,086,842</u>

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

CEDAR HAMMOCK FIRE CONTROL DISTRICT
STATEMENT OF POSTEMPLOYMENT HEALTHCARE PLAN NET POSITION
FIDUCIARY FUND
SEPTEMBER 30, 2022

Assets

Investments	<u>\$ 2,152,992</u>
-------------	---------------------

Liabilities

Liabilities	<u>-</u>
-------------	----------

Net position restricted for postemployment benefits other than pensions	<u><u>\$ 2,152,992</u></u>
--	----------------------------

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

CEDAR HAMMOCK FIRE CONTROL DISTRICT
STATEMENT OF CHANGES IN POSTEMPLOYMENT HEALTHCARE PLAN NET POSITION
FIDUCIARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Additions

Contributions:	
Employer	\$ 202,800
Investment income (Loss)	
Net appreciation (depreciation) in fair value of investments	<u>(342,169)</u>
Total Additions	(139,369)

Deductions

Benefits	179,906
Administrative expenses	<u>8,948</u>
Total Deductions	<u>188,854</u>
Net Increase (decrease)	(328,223)

**Net position restricted for postemployment benefits
other than pensions**

Beginning of Year	<u>2,481,215</u>
End of Year	<u><u>\$ 2,152,992</u></u>

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

**CEDAR HAMMOCK FIRE CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

- (a) Reporting Entity – Cedar Hammock Fire Control District is a public municipal corporation in the State of Florida created by House Bill Number 729 of the Legislature of the State of Florida in May, 1957. During the year 2000, the original bill as amended was codified in Chapter 2000–391 Laws of Florida. Effective October 1, 2007, House Bill Number 983 amended ch. 2000–391, and merged the Whitfield Fire Control District into the Cedar Hammock Fire Control District. The District is governed by a five-member board elected by the electors of the District. Effective June 10, 2015, House Bill Number 1203 amended Chapter 2000–391. There are no known component units. Revenue is provided for in the Bill by fire assessments against taxable real estate lying within the territorial bounds of the District as defined by the State of Florida. Disbursements are made for maintenance and upkeep of the fire stations, purchase of fire fighting and rescue equipment, payment of wages, employee benefits, and administrative expenses.

The District has been determined to be an independent Special District by the Florida Department of Community Affairs.

The State of Florida passed Legislation, which took effect January 1, 1982, and provides for the District to collect impact fees to defray the cost of improvements required to provide fire and emergency service to the new users of the District. The impact fees collected are to be used exclusively for the acquisition, purchase, or construction of new facilities and equipment required to provide these services to the new users in the District.

- (b) Basis of Presentation – The District's basic financial statements include Government-wide (which report information on all of the non-fiduciary activities of the District) and Fund financial statements (which report on the General Fund as well as the Fiduciary Fund). The Basic Financial Statements present only governmental activities, as the District conducts no business-type activities.

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

**CEDAR HAMMOCK FIRE CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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

Governmental Funds

- (1) General Fund – The general fund is the general operating fund of the District. All general tax revenues and impact fees received are accounted for in this fund. From the fund are paid the general operating expenditures and budgeted debt service and capital expenditures. Impact fees are restricted for the acquisition, construction or purchase of assets required to provide fire protection and emergency services.

The district utilizes fiduciary funds to account for resources held for the benefit of others:

Fiduciary Fund

- (1) Post-employment Healthcare Trust Fund – This fund is used to account for assets held by the District in a trustee capacity for the Cedar Hammock Fire District Health Insurance Subsidy Plan (the Plan). The Plan is a postemployment healthcare plan administered through a defined benefit pension plan. Consequently, net position in the fiduciary fund is restricted. The fiduciary fund is accounted for on the accrual basis. Contributions are recognized in the period in which contributions are due. Postemployment healthcare benefits and refunds are recognized when due and payable in accordance with the Plan.
- (c) Estimates – The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.
- (d) Budgets and Budgetary Accounting – The District prepares an annual operating budget for the fiscal year commencing October 1. Prior to September 1 of each year, the Secretary/Treasurer of the District's Board of Commissioners prepares a proposed budget for the upcoming fiscal year. The budget is based on an analysis of prior year actual revenues and expenditures along with anticipated spending and revenue sources. Once the proposed budget is compiled, it is brought before the Board of Commissioners for approval. Budget amendments are approved by the Board of Commissioners.

**CEDAR HAMMOCK FIRE CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

(d) Budgets and Budgetary Accounting – Continued

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

(e) Interfund Receivables/Payables – Interfund receivables/payables arise from temporary interfund transfers. When a fund has an interfund receivable and an interfund payable to the same fund, the amounts are recorded in separate accounts. Internal activity and balances between governmental funds have been eliminated in the government-wide statement of net position.

(f) Property Taxes – Property taxes become due and payable on November 1 of each year. The county tax collector remits the District's portion as such revenues are received. The District collects nearly all of its tax revenues during the period November 1 through April 1, at which time the taxes become delinquent. The maximum rates of tax are set by the Legislature of the State of Florida. The District received tax revenues based on millage and also assessments which vary based on a sliding scale of property values and type of property involved and is determined by the Board of Commissioners of the District.

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

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

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

(g) Cash and Investments

The District maintains cash accounts and has investments in an external investment pool. The investment pool contains unrestricted funds and is available for use as determined by the annual budget. One of the Districts' cash accounts contains restricted funds for impact fees. Cash restricted for impact fee revenue can only be used for the acquisition, construction or purchase of assets required to provide fire protection and emergency services to new users of the District.

**CEDAR HAMMOCK FIRE CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

(g) Cash and Investments – Continued

Demand Deposits

At September 30, 2022, the District had demand deposits held in a qualified public depository. Deposits whose values exceeded federal depository insurance limits were entirely insured or collateralized pursuant to Chapter 280 of the Florida Statutes. At September 30, 2022, the carrying amount of the District's deposits was \$448,088 and the bank balance was \$495,600.

Investments

In accordance with Florida Statute 218.415, the District adopted an investment policy limiting District investments to the following:

- (a) The Local Government Surplus Funds Trust Fund or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act as provided in Section 163.01, Florida Statutes. (Includes the Manatee County Investment Pool).
- (b) Securities and Exchange Commission registered Money Market funds with the highest credit quality rating from a nationally recognized rating agency.
- (c) Interest bearing time deposits or savings accounts in state-certified qualified public depositories as defined in Section 280.02, Florida Statutes.
- (d) Direct obligations of the U.S. Treasury.

Credit and Concentration of Credit Risk

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

Interest Rate Risk

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

The District's OPEB Plan invests in the Florida Municipal Pension Trust Fund (FMPTF). Those investments are recorded at fair value, (Note G).

**CEDAR HAMMOCK FIRE CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

(g) Cash and Investments – Continued

Interest Rate Risk – Continued

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

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

<u>General Fund:</u>	<u>Fair Value</u>	<u>Fair Value Hierarchy</u>
Manatee County Investment Pool:		
	<u>\$ 8,543,489</u>	Level 2
Manatee County Investment Pool:		
Restricted – Impact Fees	<u>\$ 442,946</u>	Level 2

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

- (h) Compensated Absences – It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All benefits are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the general fund only if they have matured or are payable from current financial resources. These liabilities are typically liquidated out of the general fund.
- (i) Capital Assets – Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life of longer than one year. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal repair and maintenance that do not add to the value of the asset or extend the useful life of the asset are expensed as incurred. The District does not have infrastructure assets.

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

<u>Asset</u>	<u>Years</u>
Building and improvements	40
Vehicles and fire engines	3–20
Furniture, fixtures and equipment	5–10

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

**CEDAR HAMMOCK FIRE CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

- (k) Deferred Outflows/Inflows of Resources – In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. This represents a consumption of net position that applies to a future period, which will not be recognized as an outflow of resources (expense–expenditure) until then. Two items qualify for reporting in this category. Deferred outflows of pension and OPEB resources are reflected in the government–wide statement of net position.

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

- (l) Net Position – Net position is reported in three parts as applicable: Net Investment in Capital Assets; restricted and unrestricted. When both restricted and unrestricted resources are available, restricted resources are used first, and then unrestricted resources, as they are needed.
- (m) Fund Balance – Government Accounting Standards Board Statement (GASB) 54 establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund Balance classifications under GASB 54 are Nonspendable and Spendable.

Spendable is then further classified as Restricted, Committed, Assigned and Unassigned. These classifications reflect not only the nature of funds, but also provide clarity to the level of restriction placed upon fund balance. Fund Balance can have different levels of restraint, such as external versus internal compliance requirements. Unassigned fund balance is a residual classification within the General Fund. The General Fund should be the only fund that reports a positive unassigned balance.

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

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

Spendable Fund Balance:

- Restricted – includes amounts that can be spent only for specific purposes because of State or Federal laws or enabling legislation, or which are externally restricted by providers such as creditors or grantors.

**CEDAR HAMMOCK FIRE CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

(m) Fund Balance – continued

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

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

	<u>General Fund</u>
<u>Nonspendable:</u>	
Restricted	
Prepaid-Deposits	\$ 587,319
<u>Spendable:</u>	
Restricted	
Impact fees	442,946
Light Technical Rescue Team	<u>37,761</u>
	<u>480,707</u>
Committed	
Accrued Leave/Sick/Vacation/Salaries	150,000
Major Repair – Vehicle/FF	60,000
Station Renovations/Repairs	800,000
Vehicular – Purchase/Replace	200,000
Fire Engine – Purchase/Replace	1,425,000
Rescue Equipment	<u>500,000</u>
	<u>3,135,000</u>
Assigned	
Planned contingency funds	<u>3,500,000</u>
Unassigned	<u>2,151,215</u>
Total Fund Balances	<u>\$ 9,854,241</u>

Implementation of New Accounting Standard

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

**CEDAR HAMMOCK FIRE CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE B – CAPITAL ASSETS

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

Governmental Activities:	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets, not being depreciated:					
Land	\$ 695,482	\$ -0-	\$ -0-	\$ -0-	\$ 695,482
Construction in progress	<u>26,749</u>	<u>1,547,967</u>	<u>-0-</u>	<u>(1,574,716)</u>	<u>-0-</u>
Total capital assets, not being fully depreciated	<u>722,231</u>	<u>1,547,967</u>	<u>-0-</u>	<u>(1,574,716)</u>	<u>695,482</u>
Capital assets being depreciated:					
Buildings and improvements	5,936,544	41,717	-0-	1,574,716	7,552,977
Machinery and equipment	<u>6,271,922</u>	<u>138,110</u>	<u>(377,676)</u>	<u>-0-</u>	<u>6,032,356</u>
Total capital assets being depreciated	12,208,466	179,827	(377,676)	1,574,716	13,585,333
Less accumulated depreciation for:					
Buildings and improvements	(2,764,676)	(168,734)	-0-	-0-	(2,933,410)
Machinery and equipment	<u>(3,317,208)</u>	<u>(471,411)</u>	<u>349,366</u>	<u>-0-</u>	<u>(3,439,253)</u>
Total accumulated depreciation	<u>(6,081,884)</u>	<u>(640,145)</u>	<u>349,366</u>	<u>-0-</u>	<u>(6,372,663)</u>
Total capital assets, being depreciated, net	<u>6,126,582</u>	<u>(460,318)</u>	<u>(28,310)</u>	<u>1,574,716</u>	<u>7,212,670</u>
Governmental activities capital assets, net	<u>\$6,848,813</u>	<u>\$1,087,649</u>	<u>\$ (28,310)</u>	<u>\$ -0-</u>	<u>\$ 7,908,152</u>

Depreciation in the amount of \$640,145 was reported as a separate line item in the statement of activities.

NOTE C – LONG-TERM DEBT

General long-term debt consisted of the following at September 30, 2022:

During 2018, the District issued Special Assessment Revenue Note Series 2017B in the amount of \$2,226,384 pursuant to Resolution 2017-10. The purpose of the note was to refinance three existing notes payable, as well as an outstanding interest rate swap agreement. The Series 2017B note bears interest at a fixed rate of 2.75%, requires monthly payments of principal and interest in the amount of \$28,460, and matures October of 2024. The note is collateralized by lawfully available non-ad valorem revenues.

During 2018, the District issued Special Assessment Revenue Note Series 2017A in the amount of \$948,642 pursuant to Resolution 2017-11. The purpose of the Series 2017A note was for the purchase of a new ladder truck. The Series 2017A note bears interest at a fixed rate of 2.75%, requires monthly payments of principal and interest in the amount of \$12,442, and matures November of 2024. The note is collateralized by lawfully available non-ad valorem revenues.

Special Assessment Revenue Note 2017B	\$ 753,204
Special Assessment Revenue Note 2017A	<u>313,756</u>
	<u>\$ 1,066,960</u>

**CEDAR HAMMOCK FIRE CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE C – LONG-TERM DEBT – CONTINUED

Total annual debt service requirements for all long-term debt in the governmental activities as of September 30, 2022 are as follows:

<u>September 30,:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 467,277	\$ 23,550	\$ 490,827
2024	480,338	10,487	490,825
2025	119,345	301	119,646
TOTAL	<u>\$ 1,066,960</u>	<u>\$ 34,338</u>	<u>\$ 1,101,298</u>

The two notes payable described above have default provisions which may subject the District to finance-related consequences:

The Lender may sue to protect and enforce any and all rights, including the right to the appointment of a receiver, existing under the laws of the State of Florida, of the United States of America, or granted and contained in the note Agreement, and to enforce and compel the performance of all duties required by the note Agreement or by any applicable laws to be performed by the District, the Board or by any officer thereof, and may take all steps to enforce the note Agreement to the full extent permitted or authorized by the laws of the State of Florida or the United States of America.

Upon the occurrence of an Event of Default the Lender shall be entitled as of right, to the extent permitted by the law, to the appointment of a receiver to collect and receive the Special Assessment in an appropriate judicial proceeding in a court of competent jurisdiction, whether or not the Lender is also seeking or shall have sought to enforce any other right or exercise any other remedy in connection with the Note. The receiver so appointed shall collect and receive the Special Assessments in the manner provided in this Agreement for so long as the Note shall be outstanding.

Any amount due hereunder not paid when due shall bear interest at the default rate equal to the rate otherwise payable on the Note plus 4% per annum.

The District shall reimburse the Lender for all costs, fees, and expenses of any nature incurred by the Lender as a result of or in connection with the cure of any default hereunder or the enforcement by Lender of its rights under the note Agreement or the Note whether such costs, fees or expenses are incurred before, during or after suit, on appeal, or in bankruptcy, provided however that in the event of litigation or other administrative or court proceeding relating to the subject matter of this agreement, the prevailing party shall be entitled to receive from the other party its reasonable attorneys' fees and other costs.

**CEDAR HAMMOCK FIRE CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE C – LONG-TERM DEBT – CONTINUED

Changes in Long-Term Liabilities

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Notes payable – Direct borrowings					
Southstate Bank	\$ 1,069,254	\$ –0–	\$ (316,050)	\$ 753,204	\$ 324,901
Southstate Bank	<u>452,348</u>	<u>–0–</u>	<u>(138,592)</u>	<u>313,756</u>	<u>142,376</u>
Total notes payable	<u>1,521,602</u>	<u>–0–</u>	<u>(454,642)</u>	<u>1,066,960</u>	<u>467,277</u>
Net OPEB liability	9,954,651	1,225,837	(3,702,928)	7,477,560	–0–
Net pension liability	4,320,080	10,975,262	(1,939,614)	13,355,728	–0–
Compensated absences	<u>848,000</u>	<u>473,000</u>	<u>(440,000)</u>	<u>881,000</u>	<u>87,000</u>
Governmental activity					
Long-term liabilities	<u>\$ 16,644,333</u>	<u>\$ 12,674,099</u>	<u>\$ (6,537,184)</u>	<u>\$ 22,781,248</u>	<u>\$ 554,277</u>

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

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

The reconciliation between the fund balances –governmental funds as reported in the governmental fund balance sheet and net position – governmental activities as reported in the statement of net position, is included on page 12 of the basic financial statements. One line of that reconciliation explains “liabilities, including notes payable, long-term compensated absences, net pension liability, and net OPEB liability are not due and payable in the current period and therefore are not reported in the general fund.”

The details of the difference are shown below:

Notes payable	\$ 1,066,960
OPEB liability	7,477,560
Net pension liability	13,355,728
Long-term compensated absences	<u>881,000</u>
	<u>\$ 22,781,248</u>

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

The reconciliation between the net changes in fund balances – governmental funds as reported in the statement of revenues, expenditures and changes in fund balances, and the changes in net position as reported in the statement of activities is included on page 14 of the basic financial statements. One line in that reconciliation explains that “Governmental Funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of the difference are shown below:

**CEDAR HAMMOCK FIRE CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS**

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

Capital additions	\$ 1,727,795
Depreciation	(640,145)
Loss on disposal of assets (excluding proceeds)	<u>(28,310)</u>
	<u>\$ 1,059,340</u>

NOTE E – PENSION PLAN

1. Plan Description

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

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

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

2. Benefits Provided

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

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

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

**CEDAR HAMMOCK FIRE CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE E – PENSION PLAN – CONTINUED

2. Benefits Provided – Continued

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

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

3. Contributions

Per Chapter 121, Florida Statutes, contribution requirements of the active employees and the participating employers are established and may be amended by the Florida Department of Management Services, Division of Retirement. Effective July 1, 2011, both the employee and employers of the FRS are required to make contributions to establish service credit for work performed in a regularly established position. The Florida Legislature established a uniform contribution rates based on the class an employee is placed into which requires employees to contribute 3% and employers to contribute a specified percentage based on class. The District's contractually required contribution rate for the year ended September 30, 2022, ranged from 25.89% – 27.83% for special risk employees, 10.82% – 11.91% for regular employees, 18.34% – 18.60% for DROP, and 41.08% – 45.64% and 51.42%–57.00% for elected officials, of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the District were \$1,520,440 for the year ended September 30, 2022.

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

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

At September 30, 2022, the District reported a liability of \$13,355,728 for its proportionate share of the net pension liability which includes both FRS and HIS. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2022, the measurement date, the District's proportion was .031376019% for FRS and .015874164% for HIS.

For the year ended September 30, 2022, the District recognized pension expense of \$1,581,116. At September 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**CEDAR HAMMOCK FIRE CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE E – PENSION PLAN – CONTINUED

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

	FRS		HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 554,467	\$ –0–	\$ 51,032	\$ (7,398)
Changes in assumptions	1,437,751	–0–	96,375	(260,100)
Net difference between projected and actual earnings on pension plan investments	770,859	–0–	2,434	–0–
Changes in proportion and differences between contributions and proportionate share of contributions	208,791	(1,040,847)	84,288	(1,250)
District contributions subsequent to the June 30, 2022 measurement date	<u>389,790</u>	<u>–0–</u>	<u>25,913</u>	<u>–0–</u>
	<u>\$ 3,361,658</u>	<u>(\$ 1,040,847)</u>	<u>\$ 260,042</u>	<u>\$ (268,748)</u>

Total deferred outflows were \$3,621,700 and total deferred inflows were \$1,309,595. \$389,790 (FRS) and \$25,913 (HIS) were reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ending September 30:</u>	FRS	HIS
2023	\$ 365,110	\$ (5,302)
2024	365,110	(5,302)
2025	365,110	(5,302)
2026	365,110	(5,302)
2027	365,110	(5,302)
Thereafter	<u>105,471</u>	<u>(8,109)</u>
	<u>\$ 1,931,021</u>	<u>\$ (34,619)</u>

Actuarial Assumptions

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

Inflation	2.4 percent
Salary increases	3.25 percent, including inflation
Investment rate of return	6.70 percent, including inflation at 2.40%

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

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

**CEDAR HAMMOCK FIRE CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE E – PENSION PLAN – CONTINUED

Actuarial Assumptions – Continued

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

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

Discount Rate

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

The following changes in actuarial assumptions occurred in 2022:

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

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

The following presents the District's proportionate share of the FRS net pension liability calculated using the discount rate of 6.70%, as well as what the District's

**CEDAR HAMMOCK FIRE CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE E – PENSION PLAN – CONTINUED

proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>1% Decrease</u> <u>(5.70%)</u>	<u>Discount Rate</u> <u>(6.70%)</u>	<u>1% Increase</u> <u>(7.70%)</u>
District's proportionate share of the FRS net pension liability	\$ 20,190,073	\$ 11,674,400	\$ 4,554,285

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

	<u>1% Decrease</u> <u>(2.54%)</u>	<u>Discount Rate</u> <u>(3.54%)</u>	<u>1% Increase</u> <u>(4.54%)</u>
District's proportionate share of the HIS net pension liability	\$ 1,923,577	\$ 1,681,328	\$ 1,408,871

Pension Plan Fiduciary Net Position

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

NOTE F – OTHER POST-EMPLOYMENT HEALTHCARE BENEFIT PLAN

Plan Description

The District offers post-employment healthcare benefits through a single employer plan, the Cedar Hammock Fire Control District Health Insurance Subsidy Plan (the OPEB Plan). The Plan provides a monthly healthcare premium subsidy for all eligible participants. All employees are eligible to participate in the Plan after becoming disabled, or reaching normal retirement age and receiving retirement benefits from the Florida Retirement System (Note E). Employees retiring prior to October 1, 2003 receive a monthly health insurance subsidy of \$10 multiplied by the participant's years of service with a maximum of 30 years. The amount is fixed and not subject to increases. Employees retiring after October 1, 2003 receive a monthly health insurance subsidy of \$15, which will increase 3% each year thereafter, multiplied by the participant's years of service with a maximum of 30 years. Participant's pay 100% of the health insurance premium assigned by the District.

Plan Administration. The District administers the OPEB Plan, a single employer defined benefit plan that is used to provide post-employment benefits other than pensions (OPEB) as defined above.

Management of the OPEB Plan is vested in the District Board of Commissions, which consists of five members – all elected by the citizens of the District.

Membership in the Plan consisted of the following pursuant to the most recent actuarial valuation:

**CEDAR HAMMOCK FIRE CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE F – OTHER POST-EMPLOYMENT HEALTHCARE BENEFIT PLAN – CONTINUED

Plan Administration – Continued

Inactive plan members or beneficiaries currently receiving benefits	24
Inactive plan members entitled to but not yet receiving benefits	0
Active plan members	<u>68</u>
Total	<u>92</u>

Contributions and Funding Policy

The Plan provides for periodic contributions by the District based on the District's budget. Contributions are not actuarially determined, and there is no statutory requirements. The District contributed \$202,800 during the year ended September 30, 2022, which equaled the budgeted contribution amount. Plan members are not required to contribute to the Plan. However, retirees pay 100% of their health insurance premiums.

Administrative costs of the Plan are financed through investment earnings.

Summary of Significant Accounting Policies

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

Asset Valuation – Investments are reported at fair value based on quoted prices at month end. Investment income is recognized when earned. Gains and losses on sales and exchanges of securities are recognized on the transaction date.

Plan Investments

During 2022, the District's OPEB Plan was affiliated with the Florida Municipal Pension Trust Fund (FMPTF) an agent multiple employer pension plan administered by the FMPTF Board of Trustees. The FMPTF issues a publicly available report that includes the combined financial statements of all plan members. Separate accounts are maintained for each employer group. The District's plan does not issue separate financial reports. Plan administrative costs are paid by the plan.

All OPEB assets with the FMPTF are included in the trust's master Trust Fund. OPEB Plan assets of the defined benefit type are invested by the FMPTF through the Florida Municipal Investment Trust (FMIvT) for the benefit of the Participating Employers, Participating Employees and Beneficiaries.

The FMIvT is a Local Government Investment Pool (LGIP) and, therefore, considered an external investment pool. The plan has a beneficial interest in shares in the FMIvT portfolios listed below. The plan's investment is the beneficial interest in the FMIvT portfolio, not the individual securities held within each portfolio.

**CEDAR HAMMOCK FIRE CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE F – OTHER POST-EMPLOYMENT HEALTHCARE BENEFIT PLAN – CONTINUED

As of September 30, 2022, the asset allocations for the OPEB plan were as follows:

	<u>OPEB</u> <u>60/40</u>
Cash and Money Market	(0.40)%
FMLvT Broad Market High Quality Bond	14.90%
FMLvT Core Plus	13.60%
FMLvT Diversified Large Cap Equity	23.60%
FMLvT Diversified Small to Mid Cap Equity	14.80%
FMLvT International Equity	17.60%
FMLvT Core Real Estate Portfolio	<u>15.90%</u>
Total	<u>100.00%</u>

Credit Risk

Credit risk exists when there is a possibility that the issuer or other counterparty to an investment may be unable to fulfill its obligations.

The FMLvT Broad Market High Quality Bond fund has a Fitch Rating of AAF/S4. The remaining fund and equity portfolios are not rated.

Interest Rate Risk

Interest rate risk exists when there is a possibility that changes in interest rates could adversely affect an investment's fair value. Interest rate risk is presented below by effective duration and weighted average maturity (WAM).

	<u>Modified</u> <u>Duration</u>	<u>WAM</u>
FMLvT Broad Market High Quality Bond	5.46	6.70
FMLvT Core Plus	6.02	8.92

Foreign Currency Risk

Participating employers' investments in the FMLvT are not subject to foreign currency risk.

The District's net OPEB liability was measured as of September 30, 2022 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of October 1, 2021.

Net OPEB Liability of the District

The components of the net OPEB liability of the District at September 30, 2022, were as follows:

Total OPEB liability (rolled forward from 10/1/21)	\$ 9,630,552
Plan fiduciary net position	<u>(2,152,992)</u>
District's net OPEB liability	<u>\$ 7,477,560</u>

Plan fiduciary net position as a percentage of the total OPEB liability	22.36%
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**CEDAR HAMMOCK FIRE CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE F – OTHER POST-EMPLOYMENT HEALTHCARE BENEFIT PLAN – CONTINUED

Actuarial assumptions:

Inflation	2.62 percent
Salary increases	3.00 percent, per annum
Discount rate	5.01 percent
Long-term rate of return	7.00 percent, net of OPEB plan investment expense including inflation.
Healthcare cost trend rates	8.00 percent for 2021, decreasing 0.5 percent per year to trend rates to an ultimate rate of 5 percent for 2028 and later years.

Mortality Rates:

Sex-distinct rates set forth in the PUB-2010 Mortality Table (without income adjustments) for public safety employees, with full generational improvements in mortality using Scale MP-2020.

Changes:

Since the prior measurement date, the discount rate was increased from 2.78% per annum to 5.01% per annum; the healthcare cost trend rates were increased from 6.00% for the 2021/2022 fiscal year graded down to 5.00% for the 2024 and later fiscal years to the rates shown above; and the monthly implied subsidy at age 55 for the 2022 fiscal year for the retiree and his spouse was changed from \$213.00 and \$239.62, respectively, to \$200 and \$250, respectively.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of September 30, 2022 (see the discussion of OPEB Plan's investment policy) are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>
Core bonds	1.60%	15.00%
Core Plus	2.10%	15.00%
U.S. Large Cap Equity	4.60%	25.00%
U.S. Small Cap Equity	5.50%	14.00%
Non – U.S. Equity	6.70%	21.00%
Core Real Estate	<u>5.00%</u>	<u>10.00%</u>
Total or weighted arithmetic average	4.38%	100.00%

Discount rate. The discount rate used to measure the total OPEB liability was 5.01 percent. The projection of cash flows used to determine the discount rate assumed that District contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**CEDAR HAMMOCK FIRE CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE F – OTHER POST-EMPLOYMENT HEALTHCARE BENEFIT PLAN – CONTINUED

	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability
Balance as of September 30, 2021	\$ 12,435,866	\$ (2,481,215)	\$ 9,954,651
Change due to:			
Service cost	247,939	-0-	247,939
Expected interest growth	626,781	(174,165)	452,616
Unexpected investment income	-0-	516,333	516,333
Demographic experience	(364,383)	-0-	(364,383)
Employer contributions	-0-	(202,800)	(202,800)
Employee contributions	-0-	-0-	-0-
Benefit payments & refunds	(179,906)	179,906	-0-
Administrative expenses	-0-	8,949	8,949
Changes in benefit terms	-0-	-0-	-0-
Assumption changes	(3,135,745)	-0-	(3,135,745)
Balance as of September 30, 2022	<u>\$ 9,630,552</u>	<u>\$ (2,152,992)</u>	<u>\$ 7,477,560</u>

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

Sensitivity of the net OPEB liability to changes in the discount rate – continued.

	1% Decrease (4.01%)	Discount Rate (5.01%)	1% Increase (6.01%)
Net OPEB liability	\$ 8,840,698	\$ 7,477,560	\$ 6,357,396

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

	Healthcare Cost Trend Rates		
	Trend Rate Minus 1%	(8.00% decreasing to 5.00%)	Trend Rates Plus 1%
Net OPEB liability (asset)	\$ 7,014,294	\$ 7,477,560	\$8,033,664

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. For the year ended September 30, 2022, the District recognized OPEB expense of \$630,698. At September 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Balance as of September 30, 2021	\$ 3,064,800	\$ 1,635,631
Change due to:		
Amortization payments	(822,390)	(901,196)
Investment gain/loss	516,333	-0-
Demographic gain/loss	-0-	364,383
Assumption changes	-0-	3,135,745
Total change	(306,057)	2,598,932
Balance as of September 30, 2022	<u>\$ 2,758,743</u>	<u>\$ 4,234,563</u>

**CEDAR HAMMOCK FIRE CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE F – OTHER POST-EMPLOYMENT HEALTHCARE BENEFIT PLAN – CONTINUED

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year ended June 30:</u>	<u>OPEB</u>
2023	\$ 76,255
2024	4,528
2025	61,056
2026	333,781
2027	662,840
Thereafter	<u>337,360</u>
	<u>\$ 1,475,820</u>

NOTE G – FAIR VALUE HIERARCHY

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles, measured on a recurring basis. The District and OPEB Plan have the following recurring fair value measurements as of September 30, 2022:

	<u>Total</u>	<u>Quoted Prices In Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Investments by fair value level:				
District Investments				
Manatee County Investment Pool	<u>\$ 8,986,435</u>	<u>\$ -0-</u>	<u>\$ 8,986,435</u>	<u>\$ -0-</u>
OPEB Plan				
Mutual Funds and Short-Term Investments	\$ (8,612)	\$ (8,612)	\$ -0-	\$ -0-
FMIvT Broad Market High Quality Bond	320,796	-0-	320,796	-0-
FMIvT Core Plus Fixed Income	292,807	-0-	-0-	292,807
FMIvT Diversified Large Cap Equity	508,105	-0-	508,105	-0-
FMIvT Diversified Small to Mid-Cap Equity	318,643	-0-	318,643	-0-
FMIvT International Equity	378,927	-0-	378,927	-0-
FMIvT Core Real Estate Portfolio	<u>342,326</u>	<u>-0-</u>	<u>-0-</u>	<u>342,326</u>
Total OPEB Plan Investments	<u>\$ 2,152,992</u>	<u>\$ (8,612)</u>	<u>\$ 1,526,471</u>	<u>\$ 635,133</u>

Mutual funds and short-term investments classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Investments held with Florida Municipal Investment Trust (FMIvT) are held in a Local Government Investment Pool (LGIP) which are classified as either Level 2 or Level 3. Level 2 investments are invested in funds or portfolios in which the underlying asset value are based on quoted prices or market-corroborated inputs, however, the net asset value of the portfolio is not publicly quoted. FMIvT Core Plus Fixed Income is a fund classified as Level 3 since the shares of the funds are not publicly quoted and the underlying funds invest in a variety of financial instruments. FMIvT Core Real Estate is a fund classified as Level 3 since the shares are not publicly quoted and investment values are based on quarterly real estate appraisals.

**CEDAR HAMMOCK FIRE CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE H – RISK MANAGEMENT

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

NOTE I – CONCENTRATIONS OF LABOR SUBJECT TO COLLECTIVE BARGAINING AGREEMENT

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

NOTE J – INTERLOCAL AGREEMENT

The District's has entered into an interlocal agreement with Trailer Estates Fire Control District to provide fire district services at an agreed rate of \$5,000 per month until the dissolution of Trailer Estates Fire Control District.

NOTE K – CONTINGENCIES

The District is currently a named party in a lawsuit. The District's insurance carrier has hired legal counsel and plans to vigorously defend against the claim. As of the date of the report, a motion to dismiss the lawsuit has been filed. However, the outcome cannot be determined at this time. As a result, no liability has been recorded in these financial statements. However, in the event of an unfavorable outcome, it is at least reasonably possible that a liability could result.

REQUIRED SUPPLEMENTARY INFORMATION

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

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
REVENUES				
Tax assessments	\$ 12,826,113	\$ 12,826,113	\$ 13,158,272	\$ 332,159
Operating grants	-	-	16,188	16,188
Impact fees	12,000	12,000	70,692	58,692
Interest	22,000	22,000	(85,411)	(107,411)
Miscellaneous	198,043	198,043	223,638	25,595
Charges for services	16,000	16,000	107,174	91,174
Total Revenues	13,074,156	13,074,156	13,490,553	416,397
EXPENDITURES				
Current:				
Personal service	10,351,777	10,351,777	9,639,388	712,389
Operating	1,777,539	1,719,039	1,403,955	315,084
Debt service	490,825	490,825	490,826	(1)
Capital outlay	454,015	2,581,819	1,773,716	808,103
Total Expenditures	13,074,156	15,143,460	13,307,885	1,835,575
Excess of Revenues Over/(Under) Expenditures	-	(2,069,304)	182,668	(1,419,178)
Other Financing Sources (Uses)				
Proceeds from sale of assets	-	-	39,826	39,826
Total Other Financing Sources (Uses)	-	-	39,826	39,826
Net Change in Fund Balance	-	(2,069,304)	222,494	2,291,798
FUND BALANCES – Beginning	9,631,747	9,631,747	9,631,747	-
FUND BALANCES – Ending	\$ 9,631,747	\$ 7,562,443	\$ 9,854,241	\$ 2,291,798

Note 1 – Budgetary Basis

The general fund budget is presented on a basis consistent with U.S. generally accepted accounting principles.

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

FLORIDA RETIREMENT SYSTEM (FRS) Available Fiscal Years *									
	2014	2015	2016	2017	2018	2019	2020	2021	2022
District's proportion of the net pension liability	0.030919626%	0.031347394%	0.033791307%	0.033930932%	0.034527857%	0.035765466%	0.036489408%	0.031532822%	0.031376019%
District's proportionate share of the net pension liability	\$ 1,886,552	\$ 4,048,936	\$ 8,532,331	\$ 10,036,542	\$ 10,399,970	\$ 12,317,129	\$ 15,815,047	\$ 2,381,946	\$ 11,674,400
District's covered-employee payroll	\$ 4,179,729	\$ 4,248,188	\$ 4,536,601	\$ 4,630,459	\$ 4,780,228	\$ 5,318,731	\$ 5,538,037	\$ 5,909,193	\$ 5,906,161
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	45%	95%	188%	217%	218%	232%	286%	40%	198%
Plan fiduciary net position as a percentage of total pension liability	96.09%	92.00%	84.88%	83.89%	84.26%	82.61%	78.85%	96.40%	82.89%

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

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

**RETIREE HEALTH INSURANCE SUBSIDY PROGRAM (HIS)
Available Fiscal Years ***

	2014	2015	2016	2017	2018	2019	2020	2021	2022
District's proportion of the net pension liability	0.013950412%	0.014472656%	0.013993601%	0.014272581%	0.014706869%	0.015395715%	0.015644023%	0.015800217%	0.015874164%
District's proportionate share of the net pension liability	\$ 1,304,398	\$ 1,475,983	\$ 1,630,896	\$ 1,526,090	\$ 1,556,592	\$ 1,722,626	\$ 1,910,110	\$ 1,938,134	\$ 1,681,328
District's covered-employee payroll	\$ 4,179,729	\$ 4,248,188	\$ 4,536,601	\$ 4,630,459	\$ 4,780,228	\$ 5,318,731	\$ 5,538,037	\$ 5,909,193	\$ 5,906,161
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	31%	35%	36%	33%	33%	32%	34%	33%	28%
Plan fiduciary net position as a percentage of total pension liability	0.99%	0.50%	0.97%	1.64%	2.15%	2.63%	3.00%	3.56%	4.81%

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

**CEDAR HAMMCOK FIRE CONTROL DISTRICT
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
AVAILABLE FISCAL YEARS***

FLORIDA RETIREMENT SYSTEM (FRS)
Available Fiscal Years *

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Contractually required contribution**	\$ 677,271	\$ 764,276	\$ 824,055	\$ 883,306	\$ 984,016	\$ 1,108,988	\$ 1,212,381	\$ 1,201,264	\$ 1,338,872
Contributions in relation to the contractually required contribution	<u>677,271</u>	<u>764,276</u>	<u>824,055</u>	<u>883,306</u>	<u>984,016</u>	<u>1,108,988</u>	<u>1,212,381</u>	<u>1,201,264</u>	<u>1,338,872</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 4,179,729	\$ 4,248,188	\$ 4,536,601	\$ 4,630,459	\$ 4,780,228	\$ 5,318,731	\$ 5,538,037	\$ 5,909,193	\$ 5,906,161
Contributions as a percentage of covered- employee payroll	16.20%	17.99%	18.16%	19.08%	20.59%	20.85%	21.89%	20.33%	22.67%

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

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

**CEDAR HAMMCOK FIRE CONTROL DISTRICT
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
AVAILABLE FISCAL YEARS***

**RETIREE HEALTH INSURANCE SUBSIDY PROGRAM (HIS)
Available Fiscal Years ***

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Contractually required contribution**	\$ 47,789	\$ 55,324	\$ 71,726	\$ 75,535	\$ 79,756	\$ 85,491	\$ 90,149	\$ 92,874	\$ 96,052
Contributions in relation to the contractually required contribution	47,789	55,324	71,726	75,535	79,756	85,491	90,149	92,874	96,052
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 4,179,729	\$ 4,248,188	\$ 4,536,601	\$ 4,630,459	\$ 4,780,228	\$ 5,318,731	\$ 5,538,037	\$ 5,909,193	\$ 5,906,161
Contributions as a percentage of covered-employee payroll	1.14%	1.30%	1.58%	1.63%	1.67%	1.61%	1.63%	1.57%	1.63%

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

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

**CEDAR HAMMOCK FIRE CONTROL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

ACTUARIAL METHODS AND ASSUMPTIONS

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

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

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

The following changes in actuarial assumptions occurred in 2022:

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

CEDAR HAMMOCK FIRE CONTROL DISTRICT
SCHEDULE OF CHANGES IN THE DISTRICT'S NET OPEB LIABILITY AND RELATED RATIOS
AVAILABLE FISCAL YEARS *

	2017	2018	2019	2020	2021	2022
Total OPEB liability						
Service cost	\$ 121,886	\$ 185,094	\$ 343,834	\$ 471,101	\$ 416,079	\$ 247,939
Expected interest growth	269,625	310,080	289,796	243,623	371,009	626,781
Demographic experience	-	(87,825)	(283,245)	667,135	(37,901)	(364,383)
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	-	-	-	-	-	-
Changes of assumptions	-	(468,142)	2,465,092	1,700,655	(1,228,715)	(3,135,745)
Benefit payments	(187,652)	(147,957)	(156,047)	(171,733)	(173,568)	(179,906)
Net change in total OPEB liability	203,859	(208,750)	2,659,430	2,910,781	(653,096)	(2,805,314)
Total OPEB liability – Beginning	7,523,642	7,727,501	7,518,751	10,178,181	13,088,962	12,435,866
Total OPEB liability – Ending	\$ 7,727,501	\$ 7,518,751	\$ 10,178,181	\$ 13,088,962	\$ 12,435,866	\$ 9,630,552
Plan fiduciary net position						
Contributions – Employer	\$ 125,000	\$ 87,500	\$ 112,500	\$ 100,000	\$ 195,000	\$ 202,800
Expected interest growth	117,528	130,105	135,865	138,616	145,296	174,165
Unexpected investment income	103,923	12,751	(30,740)	(8,619)	253,846	(516,333)
Benefit payments	(138,362)	(147,957)	(156,047)	(171,733)	(173,568)	(179,906)
Administrative expense	(2,229)	(8,411)	(8,419)	(8,448)	(8,811)	(8,949)
Net change in plan fiduciary net position	205,860	73,988	53,159	49,816	411,763	(328,223)
Plan fiduciary net position – Beginning	1,686,629	1,892,489	1,966,477	2,019,636	2,069,452	2,481,215
Plan fiduciary net position – Ending	\$ 1,892,489	\$ 1,966,477	\$ 2,019,636	\$ 2,069,452	\$ 2,481,215	\$ 2,152,992
District's net OPEB liability	\$ 5,835,012	\$ 5,552,274	\$ 8,158,545	\$ 11,019,510	\$ 9,954,651	\$ 7,477,560
Plan fiduciary net position as a percentage of the total OPEB liability	24.49%	26.15%	19.84%	15.81%	19.95%	22.36%
Covered-employee payroll	\$ 3,198,872	\$ 4,547,805	\$ 4,920,177	\$ 5,058,523	\$ 5,404,463	\$ 5,545,605
District's net OPEB liability as a percentage of covered employee payroll	182.41%	122.09%	165.82%	217.84%	184.19%	134.84%

* GASB No. 74 was adopted in fiscal year 2017. Ultimately, this schedule will contain information for the last ten years.

**CEDAR HAMMOCK FIRE CONTROL DISTRICT
SCHEDULE OF THE DISTRICT'S OPEB CONTRIBUTIONS
AVAILABLE FISCAL YEARS***

	2017	2018	2019	2020	2021	2022
Budgeted contribution**	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 195,000	\$ 202,800
Contributions in relation to the District's budgeted contribution	\$ 125,000	\$ 100,000	\$ 100,000	\$ 100,000	195,000	202,800
Contribution deficiency (excess)	\$ (25,000)	\$ –	\$ –	\$ –	\$ –	\$ –
District's covered-employee payroll	\$ 3,198,872	\$ 4,547,805	\$ 4,920,177	\$ 5,058,523	\$ 5,404,463	\$ 5,545,605
Contributions as a percentage of covered-employee payroll	3.91%	2.20%	2.03%	1.98%	3.61%	3.66%

* GASB No. 74 and 75 was adopted in 2017. Ultimately, this schedule will contain information

** The District does not have an actuarially calculated contribution, and there is no statutorily or contractually established rate per the Plan document. However, the District budgets a contribution each year, which represents this amount.

CEDAR HAMMOCK FIRE CONTROL DISTRICT
SCHEDULE OF INVESTMENT RETURNS
OTHER POST-EMPLOYMENT HEALTHCARE PLAN
AVAILABLE FISCAL YEARS *

	2017	2018	2019	2020	2021	2022
Annual money-weighted rate of return, net of investment expense	12.4%	7.4%	5.3%	6.4%	17.5%	-14.8%

* GASB No. 74 was adopted in fiscal year 2017. Ultimately, this schedule will contain information for the last ten years.

OTHER SUPPLEMENTARY INFORMATION

CEDAR HAMMOCK FIRE CONTROL DISTRICT
SCHEDULE OF OPERATING EXPENDITURES –
BUDGET TO ACTUAL – GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	FINAL BUDGET	ACTUAL	FAVORABLE (UNFAVORABLE)
Personal Services Expenditures			
Wages	\$ 6,246,752	5,819,161	\$ 427,591
Insurance – health, disability, and workers' compensation	1,775,793	1,627,088	148,705
Retirement and OPEB	1,826,955	1,723,239	103,716
Payroll taxes	477,877	443,013	34,864
Uniforms and protective gear	24,400	26,887	(2,487)
Total Personal Service Expenditures	<u>\$ 10,351,777</u>	<u>\$ 9,639,388</u>	<u>\$ 712,389</u>
Operating Expenditures			
Fire prevention division	\$ 15,750	\$ 9,391	\$ 6,359
Training division	59,950	30,422	29,528
Repairs and maintenance	397,584	331,874	65,710
Training facility	6,000	2,457	3,543
Professional fees	166,500	129,014	37,486
Miscellaneous	56,537	32,732	23,805
Hurricane disaster expense	8,500	7,779	721
Fuel	90,000	80,616	9,384
General dues, education, travel and publications	19,240	13,252	5,988
Supplies	110,025	51,835	58,190
Office expense	111,850	101,078	10,772
Fees, collector and appraiser	451,599	393,166	58,433
Utilities	95,504	88,490	7,014
General insurance	130,000	131,849	(1,849)
Total Operating Expenditures	<u>\$ 1,719,039</u>	<u>\$ 1,403,955</u>	<u>\$ 315,084</u>

**CEDAR HAMMOCK FIRE CONTROL DISTRICT
OTHER INFORMATION
SCHEDULE OF FIRE ASSESSMENT RATES**

Non ad valorem special assessments for the September 30, 2022 fiscal year are as follows:

CATEGORY	USE CODES	RATES
<u>Residential:</u>		
<u>Vacant Platted Lot</u>	0000, 0001, 0002, 0008, 0040, 0041, 0055, 0725	\$15.62 Per Lot
<u>Vacant Platted Lot more than 10 acres</u>	9908	\$15.62 Per Acre
<u>Vacant Unplatted Parcel less than 10 acres</u>	0010	\$15.62 Per Acre
<u>Single Family Residential</u>	0100, 0101, 0108, 0164, 2005	\$221.78 Per Unit
The base assessment for all residential buildings and structures shall be \$221.78 for the first 1,000 square feet in the dwelling unit. The schedule for all square footage above 1,000 square feet is \$0.00 per square foot.		
<u>Residential Condominia</u>	0400, 0408, 0409, 0410, 0464, 2010	
Shall be assessed per dwelling unit as follows:		
0400	1. Units located on the first and second floors	\$221.78 Per Unit
0400	2. Units located on the third floor	\$221.78 Per Unit
0400	3. Units located on the fourth floor	\$255.49 Per Unit
0400	4. Units located on the fifth floor	\$255.49 Per Unit
0400	5. Units located on the sixth floor and above	\$274.20 Per Unit
<u>Multi-Family Residential</u>	0110, 0300, 0301, 0600, 0700, 0710, 0800, 0801, 0803, 0805, 0864, 3910	
Shall be assessed as follows:		
0300	1. Units located on the first and second floors	\$221.78 Per Unit
0300	2. Units located on the third floor	\$221.78 Per Unit
0300	3. Units located on the fourth floor	\$255.49 Per Unit
0300	4. Units located on the fifth floor	\$255.49 Per Unit
0300	5. Units located on the sixth floor and above	\$274.20 Per Unit
<u>Mobile Homes</u>	0003, 0050, 0201, 0202, 0203, 0264, 0411, 0412, 0413, 0501, 0502, 0503	\$221.78 Per Unit
<u>Mobile Home Parks</u>	2802	\$221.78 Per Unit
Travel Trailers and Travel Trailer Spaces (as determined by override)		\$147.97 Per Unit
<u>Recreational Vehicle (RV) Parks</u>	2805	\$221.78 Per Unit
<u>Residential portion of mixed use</u>		
(as determined by override)	1200, 1205	\$147.97 Per Unit

**CEDAR HAMMOCK FIRE CONTROL DISTRICT
OTHER INFORMATION
SCHEDULE OF FIRE ASSESSMENT RATES**

CATEGORY	USE CODES	RATES
<u>Any Other Residential Unit</u>		\$221.78 Per Unit
<u>Residential Common Areas</u>	0900, 0901, 0910	
Common elements of a residential subdivision, as determined by the Property Appraiser, that are utilized exclusively for the benefit of the lot owners within the subdivision, regardless of ownership, shall have the non-ad valorem prorated and included in the assessment of all the lots within the residential subdivision pursuant to §193.0234, Florida Statutes. The assessment of the common elements of a residential subdivision shall be determined by the size of the lot and/or the size and type of buildings and structures pursuant to this assessment schedule. Residential common area parcels less than 10 acres and parcels with buildings and structures less than 1,000 square feet shall be assessed \$0.00.		
<u>Commercial/Industrial</u>		
*Vacant Platted Lot	1000, 1001, 1004, 1033, 1040, 1041, 4000, 7000	\$15.62 Per Lot
*Golf Courses and Driving Ranges (as determined by override)	3800	\$15.62 Per Acre
*(except that not more than \$2,000 shall be assessed against any one parcel)		
<u>Commercial/Industrial</u>		
The base assessment for all commercial and industrial buildings and structures shall be \$390.70 for the first 1,000 square feet on a parcel. The total square foot figure in the case of multi-floor/multi-story buildings and structures is the sum total of the square feet per floor. The schedule for all square footage above 1,000 square feet is as follows:		
Mercantile	1100, 1101, 1102, 1103, 1104, 1105, 1110, 1114, 1200, 1205, 1230, 1233, 1240, 1264, 1300, 1400, 1500, 1600, 1604, 2900	\$0.1277 Per Sq. Ft.
Business	1700, 1704, 1710, 1800, 1900, 1910, 1904, 2200, 2300, 2500, 2600, 3000	\$0.2028 Per Sq. Ft.
Assembly	2100, 3100, 3200, 3300, 3400, 3410, 3500, 3510, 3700, 3901, 3902, 3903, 7600, 7601, 7602, 7700, 7900	\$0.1569 Per Sq. Ft.
Factory/Industrial	4100, 4104, 4400, 4500, 4600, 4700, 9100	\$0.0608 Per Sq. Ft.
Storage	2000, 2003, 2700, 2710, 2720, 2730, 2740, 2750, 2800, 3810, 4801, 4803, 4804, 4805, 4810, 4900	\$0.1967 Per Sq. Ft.

**CEDAR HAMMOCK FIRE CONTROL DISTRICT
OTHER INFORMATION
SCHEDULE OF FIRE ASSESSMENT RATES**

CATEGORY	USE CODES	RATES
<u>Commercial/Industrial:</u>		
Hazardous (H)	4200, 4300, 4800	\$0.2658 Per Sq. Ft.
Institutional (I)	7200, 7210, 7300, 7400, 7500, 7800	\$0.0727 Per Sq. Ft.
<u>Acreage/Agricultural:</u>		
*Unsubdivided Acreage	5000, 5010, 5100, 5220, 5300, 5350, 5600, 6000, 6600, 6610, 6700, 6900, 9200, 9600, 9700, 9900	\$15.62 Per Acre
*Unsubdivided Acreage With Improvements	9902	\$15.62 Per Acre
The base assessment for all buildings and structures on unsubdivided acreage shall be \$390.70 for the first 1,000 square feet on a parcel. The schedule for all square footage above 1,000 square feet is \$0.2029 per square foot. *(except that not more than \$2,000 shall be assessed against any one parcel)		
Exempted:		
The following parcels are hereby exempted from the non-ad valorem fire assessment:		
Vacant Unusable Tract	0009, 1009, 9909	\$0.00
Condominia Common Areas	0940, 0941	\$0.00
Churches and Parsonages	7100, 7101	\$0.00
Forest, Parks, Recreation Area	8082, 8200	\$0.00
Public Schools, Colleges, Hospitals	8083, 8084, 8085, 8300, 8400, 8500	\$0.00
County, State, Federal, Municipal	8086, 8087, 8088, 8089, 8600, 8700, 8800, 8900	\$0.00
Military	8081, 8100	\$0.00
Railroads	9800	\$0.00
Subsurface Right and Rights-of-Way	9300, 9400, 9401	\$0.00
Rivers, Lakes and Submerged Lands	9500	\$0.00

**CEDAR HAMMOCK FIRE CONTROL DISTRICT
OTHER INFORMATION
SCHEDULE OF FIRE ASSESSMENT RATES**

CATEGORY	USE CODES	RATES
Personal Total Exemptions	2100 – Herma/Para/Quadriplegic	\$0.00
	2200 – Total/Permanent Disabled Veteran	\$0.00
	2500 – Confined to a Wheelchair	\$0.00
	2580 – Totally Blind	\$0.00

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

OTHER REPORTS

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

Board of Commissioners
Cedar Hammock Fire Control District
Manatee County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Cedar Hammock Fire Control District (the District) as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 6, 2023.

Report on Internal Control Over Financial Reporting

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

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

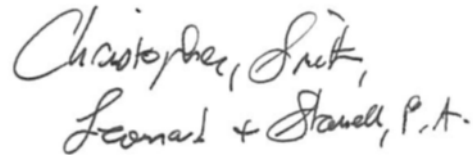
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

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

Purpose of this Report

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

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

CHRISTOPHER SMITH,
LEONARD & STANELL, P.A.

March 6, 2023
Bradenton, Florida

MANAGEMENT LETTER

Board of Commissioners
Cedar Hammock Fire Control District

Report on the Financial Statements

We have audited the financial statements of the Cedar Hammock Fire Control District, (the District), as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated March 6, 2023.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 6, 2023, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Financial Condition and Management

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

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

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

Specific Information for an Independent Special District

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

- a. The total number of District employees compensated in the last pay period of the District's fiscal year was 73.
- b. The total number of independent contractors to whom non-employee compensation was paid in the last month of the District's fiscal year was 0, as there were none.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency was \$5,901,161.
- d. All compensation earned by or awarded to non-employee independent contractors, whether paid or accrued, regardless of contingency was \$0, as there was none.
- e. Each construction project with a total cost of at least \$65,000 approved by the District that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project: Training Tower approved amount of \$1,600,000 and total costs in the current year of \$1,509,817.
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the District amends a final adopted budget under Section 189.016(6), Florida Statutes. The budget variance is presented on page 38.

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

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

- a. The millage rate imposed by the district was 1.3000.
- b. The total amount of ad valorem taxes collected by or on behalf of the District was \$4,371,528.
- c. There were no bonds issued by the District, and as such, the outstanding amount is \$0, and there were no terms.

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

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

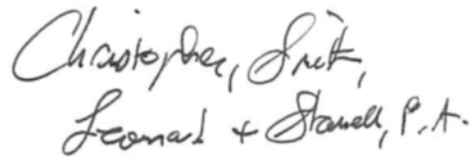
- a. The rate or rates of non-ad valorem special assessments imposed by the District are presented on pages 48 through 51.
- b. The total amount of special assessments collected by or on behalf of the District was \$8,786,744.
- c. There were no bonds issued by the District, and as such the outstanding amount is \$0, and there were no terms.

Additional Matters

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

Purpose of this Letter

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

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

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

March 6, 2023
Bradenton, Florida

INDEPENDENT ACCOUNTANT'S REPORT ON INVESTMENT COMPLIANCE

**Board of Commissioners
Cedar Hammock Fire Control District
Manatee County, Florida**

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

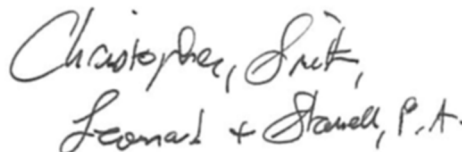
Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the District complied, in all material respects,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

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

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

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

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

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

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

March 6, 2023
Bradenton, Florida

**CEDAR HAMMOCK FIRE CONTROL DISTRICT
IMPACT FEE AFFIDAVIT**

BEFORE ME, the undersigned authority, personally appeared Kyle R. Bradshaw, who being duly sworn, deposes and says on oath that:

1. I am the Chief Financial Officer of the Cedar Hammock Fire Control District, which is an independent special purpose taxing district authorized under the provision of Chapters 189 and 191, Florida Statutes, and Chapter 2015-197, Laws of Florida;
2. The Board of Fire Commissioners of the Cedar Hammock Fire Control District adopted Resolution 2016-01 at a public hearing on the 10th day of March, 2016, implementing an impact fee; and Resolution 2021-01 at a public hearing on the 15th day of April, 2021, confirming and continuing impact fees; and
3. The Cedar Hammock Fire Control District has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

FURTHER AFFIANT SAYETH NAUGHT.



Kyle R. Bradshaw, Chief Financial Officer

**STATE OF FLORIDA
COUNTY OF MANATEE**

SWORN TO AND SUBSCRIBED before me this 28th day of March, 2023. By Kyle R. Bradshaw who is personally known to me.





NOTARY PUBLIC

Denise V. McCaughan
Printed Name

Commissioner Number: HH151686

My Commission Expires: August 22, 2025