



Board of Fire Commissioners  
Matlacha/Pine Island Fire Control District  
Captiva, Florida

We have audited the financial statements of the governmental activities and each major fund of Matlacha/Pine Island Fire Control District (the District) as of and for the year ended September 30, 2018, and have issued our report thereon dated May 24, 2019. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

### **Significant audit findings**

#### ***Qualitative aspects of accounting practices***

##### *Accounting policies*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Matlacha/Pine Island Fire Control District are described in Note 1 to the financial statements.

As described in Note 13 to the financial statements, the District implemented Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits*, in 2018 by recognizing its total Other Postemployment Benefit (OPEB) liability related to its OPEB plan. Accordingly, the cumulative effect of the accounting change as of the beginning of the year is reported in the Governmental Activities financial statements.

We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

##### *Accounting estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Management's estimate of the net pension liability and related expense and deferred inflows and outflows of resources relating to the District's participation in the Florida Retirement System (FRS), a multi-employer cost-sharing defined benefit pension plan, is based on an actuarial valuation. We evaluated the key factors and assumptions used to develop the estimate for the pension-related balances in determining that it is reasonable in relation to the financial statements taken as a whole.

- Management's estimate for the total OPEB liability is based on upon an actuarial valuation. We evaluated the key factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

Financial statement disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

- The disclosure of the information pertaining to the District's defined benefit pension plans in Note 8 to the financial statements, which describes the District's FRS pension plan and Retiree Health Insurance Subsidy (HIS) program, the pension costs, and the net pension liability at September 30, 2018. Management's estimate of pension costs and the unfunded liability disclosed have been actuarially determined. The information disclosed in Note 8 and the required supplementary information following the notes to the financial statements are required to be made in accordance with generally accepted accounting principles.
- The disclosure of the information pertaining to the District's postemployment health insurance plan in Note 10 to the financial statements, which describes the District's OPEB plan and the total OPEB liability at September 30, 2018. The information disclosed in Note 10 and the required supplementary information following the notes to the financial statements are required to be made in accordance with generally accepted accounting principles.

The financial statement disclosures are neutral, consistent, and clear.

***Difficulties encountered in performing the audit***

We encountered no significant difficulties in dealing with management in performing and completing our audit

***Uncorrected misstatements***

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management did not identify and we did not notify them of any uncorrected financial statement misstatements.

***Corrected misstatements***

The attached schedule summarizes all misstatements (material and immaterial) detected as a result of audit procedures that were corrected by management.

***Disagreements with management***

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

***Management representations***

We have requested certain representations from management that are included in the management representation letter dated May 24, 2019.

***Management consultations with other independent accountants***

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the entity’s financial statements or a determination of the type of auditors’ opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

***Significant issues discussed with management prior to engagement***

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to engagement as the entity’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.

***Other information in documents containing audited financial statements***

With respect to the required supplementary information (RSI) accompanying the financial statements, we made certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, whether the methods of measurement and preparation have been changed from the prior period and the reasons for any such changes, and whether there were any significant assumptions or interpretations underlying the measurement or presentation of the RSI. We compared the RSI for consistency with management’s responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we did not express an opinion or provide any assurance on the RSI.

Our auditors’ opinion, the audited financial statements, and the notes to financial statements should only be used in their entirety. Inclusion of the audited financial statements in a document you prepare, such as an annual report, should be done only with our prior approval and review of the document.

This communication is intended solely for the information and use of the Board of Fire Commissioners and management of the District and is not intended to be, and should not be, used by anyone other than these specified parties.



**CliftonLarsonAllen LLP**

Fort Myers, Florida  
May 24, 2019

# Adjusting Journal Entries

Client: **Matlacha/Pine Island Fire Control District**  
 Period Ending: **9/30/2018**  
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Account	Description	Debit	Credit
<b>Adjusting Journal Entries JE # 1</b>			
To record the FY18 4th quarter impact fees to deferred inflow due to receiving more than 60 days after year end.			
001-324.100	IMPACT FEES	16,718.00	
001-293.001	Deferred Inflows - Unavailable Revenue		16,718.00
<b>Total</b>		<b><u>16,718.00</u></b>	<b><u>16,718.00</u></b>
<b>Adjusting Journal Entries JE # 11</b>			
To accrue FY18 invoices paid in FY19.			
305-522.310	STATION 4 LEGAL FEES	2,524.00	
305-522.620	STATION 4 BUILDING	33,461.00	
305-202.000	ACCOUNTS PAYABLE		33,758.00
305-203.000	Retainage Payable		2,227.00
<b>Total</b>		<b><u>35,985.00</u></b>	<b><u>35,985.00</u></b>
<b>Adjusting Journal Entries JE # 16</b>			
To record fund balance assigned for subsequent year's budget.			
001-284.000	FUND BALANCE	50,277.00	
001-283.000	Assigned for Subsequent Year's Budget		50,277.00
<b>Total</b>		<b><u>50,277.00</u></b>	<b><u>50,277.00</u></b>
<b>Adjusting Journal Entries JE # 20</b>			
To reverse the FY17 payroll accrual.			
001-202.001	3% EMPLOYEE CONTRIBUTION	1,361.00	
001-202.009	ROTH 457B	1,204.00	
001-202.010	457 EMPLOYEES CONTRIBUTION	985.00	
001-202.014	UNION DUES DEDUCTION	408.00	
001-202.015	AFLAC PRE TAX	364.00	
001-202.016	Pre-Tax Dental	13.00	
001-202.017	UNION BENEVOLENT FUND	42.00	
001-202.018	SUPPORT PAYMENTS	600.00	
001-216.000	ACCRUED WAGES PAYABLE	31,884.00	
001-217.010	FICA WITHHOLDING	5,678.00	
001-217.020	MEDICARE WITHHOLDING	1,328.00	
001-217.030	FEDERAL WITHHOLDING	5,746.00	
001-522.230	HEALTH INSURANCE - BU	1,228.00	
001-522.233	HEALTH INSURANCE EXEC / ADMIN	162.00	
001-522.110	EXECUTIVE WAGES		4,558.00
001-522.115	ADMINISTRATIVE WAGES-OTHER		1,377.00
001-522.120	REGULAR WAGES & SALARIES		169.00
001-522.120	REGULAR WAGES & SALARIES		39,500.00
001-522.121	INCENTIVE PAY		1,741.00
001-522.210	FICA TAXES		3,503.00
001-522.410	COMMUNICATION SERVICES		155.00
<b>Total</b>		<b><u>51,003.00</u></b>	<b><u>51,003.00</u></b>

# Adjusting Journal Entries

Client: **Matlacha/Pine Island Fire Control District**  
 Period Ending: **9/30/2018**  
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Account	Description	Debit	Credit
<b>Adjusting Journal Entries JE # 21</b>			
To reverse the FY17 vacation buy back accrual.			
001-216.000	ACCRUED WAGES PAYABLE	21,158.00	
001-217.005	ACCRUED PENSIONS	7,165.00	
001-217.010	FICA WITHHOLDING	3,382.00	
001-217.020	MEDICARE WITHHOLDING	791.00	
001-217.030	FEDERAL WITHHOLDING	3,213.00	
001-522.130	VACATION PAY OUT - BU		22,802.00
001-522.131	VACATION PAY OUT EXEC/ADMIN		4,474.00
001-522.210	FICA TAXES		2,087.00
001-522.220	RETIREMENT CONTRIBUTIONS		6,346.00
<b>Total</b>		<b>35,709.00</b>	<b>35,709.00</b>
<b>Adjusting Journal Entries JE # 22</b>			
To reverse the FY17 Oake sick buy back.			
001-216.000	ACCRUED WAGES PAYABLE	2,045.00	
001-217.010	FICA WITHHOLDING	305.00	
001-217.020	MEDICARE WITHHOLDING	71.00	
001-217.030	FEDERAL WITHHOLDING	225.00	
001-522.150	SICK PAY OUT - BU		2,458.00
001-522.210	FICA TAXES		188.00
<b>Total</b>		<b>2,646.00</b>	<b>2,646.00</b>
<b>Adjusting Journal Entries JE # 30</b>			
To adjust restricted fund balance for FY18 activity.			
001-281.010	FUND BALANCE - IMPACT FEES	7,494.00	
001-284.000	FUND BALANCE		7,494.00
<b>Total</b>		<b>7,494.00</b>	<b>7,494.00</b>
<b>Adjusting Journal Entries JE # 38</b>			
To reverse JE 18-065 to record due from General fund duplicate entry.			
305-522.310	STATION 4 LEGAL FEES	3,829.00	
305-131.305	DUE FROM GF FOR ESCROW ACCT		3,829.00
<b>Total</b>		<b>3,829.00</b>	<b>3,829.00</b>
<b>Adjusting Journal Entries JE # 39</b>			
To remove restricted cash and Station 4 fire truck lease proceeds due to cash not received at 9/30/18.			
304-384.000	STATION 4 TRUCK PROCEEDS	256,504.00	
304-103.102	LEASING 2 STA 4 TRUCK		256,504.00
<b>Total</b>		<b>256,504.00</b>	<b>256,504.00</b>