



Board of Fire Commissioners
Matlacha/Pine Island Fire Control District
Bokeelia, 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, 2019, and have issued our report thereon dated May 19, 2020. 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.

No new accounting policies were adopted and the application of existing policies was not changed during 2019.

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 multiemployer 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, 2019. 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, 2019. 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 19, 2020.

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 19, 2020

Board of Fire Commissioners
 Matlacha/Pine Island Fire Control District
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Client: 096-10119800 - Matlacha/Pine Island Fire Control District
 Engagement: AUD 2019 - Matlacha/Pine Island Fire Control District
 Period Ending: 9/30/2019
 Trial Balance: 0900.01 - TB
 Workpaper: 0921.00 - Adjusting Journal Entries Report

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 46				
Audit AJE: 19-067A to reverse the portion of JE #19-067 relating to payroll liabilities, which was made in error.		2301.00a		
001-202.001	3% EMPLOYEE CONTRIBUTION		1,361.00	
001-202.009	ROTH 457B		1,204.00	
001-202.010	457 EMPLOYEES CONTRIBUTION		965.00	
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		55,087.00	
001-217.005	ACCRUED PENSIONS		7,165.00	
001-217.010	FICA WITHHOLDING		9,365.00	
001-217.020	MEDICARE WITHHOLDING		2,190.00	
001-217.030	FEDERAL WITHHOLDING		9,184.00	
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			39,669.00
001-522.121	INCENTIVE PAY			1,741.00
001-522.130	VACATION PAY OUT - BU			22,802.00
001-522.131	VACATION PAY OUT EXEC/ADMIN			4,474.00
001-522.150	SICK PAY OUT - BU			2,458.00
001-522.210	FICA TAXES			5,778.00
001-522.220	RETIREMENT CONTRIBUTIONS			6,346.00
001-522.410	COMMUNICATION SERVICES			155.00
Total			89,358.00	89,358.00
Adjusting Journal Entries JE # 47				
Audit AJE: 19-067B to bring PY accrued balances in payroll liabilities to zero prior to making the FY19 accrual entries		2301.00a		
001-202.001	3% EMPLOYEE CONTRIBUTION		1,568.00	
001-202.009	ROTH 457B		1,025.00	
001-202.014	UNION DUES DEDUCTION		1,215.00	
001-202.016	Pre-Tax Dental		27.00	
001-202.018	SUPPORT PAYMENTS		180.00	
001-216.000	ACCRUED WAGES PAYABLE		209.00	
001-217.010	FICA WITHHOLDING		15.00	
001-217.020	MEDICARE WITHHOLDING		4.00	
001-217.030	FEDERAL WITHHOLDING		10.00	
001-202.015	AFLAC PRE TAX			1,690.00
001-202.017	UNION BENEVOLENT FUND			42.00
001-522.120	REGULAR WAGES & SALARIES			2,514.00
001-522.210	FICA TAXES			7.00
Total			4,253.00	4,253.00
Adjusting Journal Entries JE # 48				
Audit AJE #19-070: To adjust retainage payable as of 09/30 and accrue the final payment application paid after FYE.		1701.05b		
305-208.000	Retainage Payable		28,838.00	
305-208.000	Retainage Payable		178,371.00	
305-522.620	STATION 4 BUILDING		101,334.00	
305-522.620	STATION 4 BUILDING		129,238.00	
305-202.000	ACCOUNTS PAYABLE			129,238.00
305-208.000	Retainage Payable			101,334.00
305-522.620	STATION 4 BUILDING			28,838.00
305-522.620	STATION 4 BUILDING			178,371.00
Total			437,781.00	437,781.00