



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

We have audited the financial statements of the governmental activities and the general fund, of the Matlacha/Pine Island Fire Control District (the District), as of and for the year ended September 30, 2023, and have issued our report thereon dated May 22, 2024. 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 in our engagement agreement dated August 29, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant audit findings or issues

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 1, the District changed accounting policies related to subscription-based information technology arrangements by adopting Statement of Governmental Accounting Standards Board (GASB Statement) No. 96, *Subscription-Based Information Technology Arrangements*, effective October 1, 2022.

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 and related expense and deferred inflows and outflows of resources 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, 2023. 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, 2023. 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.

Significant unusual transactions

We identified no significant unusual transactions.

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 communication, a disagreement with management is a disagreement on 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 22, 2024.

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 audit findings or issues

We have provided a separate communication to you dated May 22, 2024, communicating internal control related matters identified during the audit.

Required supplementary information

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.

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This communication is intended solely for the information and use of the Board of 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 22, 2024

Client: **A446013 - Matlacha/Pine Island Fire Control District**
 Engagement: **AUD 2023 - Matlacha/Pine Island Fire Control District**
 Period Ending: **9/30/2023**
 Trial Balance: **0900.01 - TB**
 Workpaper: **0921.00 - Adjusting Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 22		1100.03		
To properly accrue September FRS remittance & correct negative cash balance.				
001-101.212	CENTENNIAL BANK		119,854.00	
001-202.001	3% EMPLOYEE CONTRIBUTION			10,164.00
001-217.005	ACCRUED PENSIONS			109,690.00
Total			<u>119,854.00</u>	<u>119,854.00</u>

Client: **A446013 - Matlacha/Pine Island Fire Control District**
 Engagement: **AUD 2023 - Matlacha/Pine Island Fire Control District**
 Period Ending: **9/30/2023**
 Trial Balance: **0900.01 - TB**
 Workpaper: **0922.00 - Reclassifying Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
Reclassifying Journal Entries JE # 27		3001.01		
To reclassify fund balance assigned for subsequent year budget				
001-284.010	FUND BALANCE - ASSIGNED FOR SUBS YR		351,432.00	
001-284.900	FUND BALANCE - UNASSIGNED			351,432.00
Total			<u>351,432.00</u>	<u>351,432.00</u>
Reclassifying Journal Entries JE # 30		2501.00		
To correct the principal and interest amounts allocated to the Fire Station 4 lease.				
001-522.771	DEBT SERVICE PRINCIPAL (GF)		9,468.00	
001-522.772	DEBT SERVICE INTEREST (GF)			9,468.00
Total			<u>9,468.00</u>	<u>9,468.00</u>