

IMMOKALEE FIRE CONTROL DISTRICT
BASIC FINANCIAL STATEMENTS
TOGETHER WITH ADDITIONAL REPORTS
YEAR ENDED
SEPTEMBER 30, 2014

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Immokalee Fire Control District
502 East New Market Road
Immokalee, Florida 34142

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Immokalee Fire Control District (the "District") as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INTEGRITY SERVICE EXPERIENCE

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Immokalee Fire Control District as of September 30, 2014, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages i - v be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which 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 - management's discussion and analysis (MD&A) 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 required supplementary information - management's discussion and analysis (MD&A) because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Required Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Immokalee Fire Control District's basic financial statements. The required supplementary information other than MD&A - budgetary comparison information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The required supplementary information other than MD&A - budgetary comparison 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. Such 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 required supplementary information other than MD&A - budgetary comparison information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

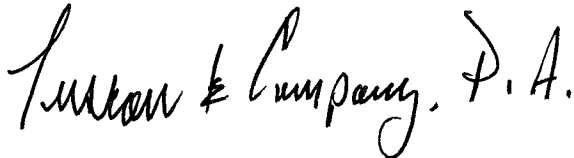
Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The Exhibit - Management's Response to Independent Auditor's Report to Management is not a required part of the basic financial statements but is required by Government Auditing Standards. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Section 218.415, Florida Statutes

In accordance with Section 218.415, Florida Statutes, we have also issued a report dated April 28, 2015, on our consideration of Immokalee Fire Control District's compliance with provisions of Section 218.415, Florida Statutes. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing, and to provide an opinion on compliance with the aforementioned Statute. That report is an integral part of an audit performed in accordance with Sections 218.39 and 218.415, Florida Statutes in considering Immokalee Fire Control District's compliance with Section 218.415, Florida Statutes.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated April 28, 2015 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, contract and grant agreements and other matters. The purpose of that report is 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 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 Immokalee Fire Control District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Tuscan & Company, P.A." in a cursive script.

TUSCAN & COMPANY, P.A.
Fort Myers, Florida
April 28, 2015

**MANAGEMENT'S DISCUSSION
AND ANALYSIS
(MD&A)**

Immokalee Fire Control District
Management's Discussion and Analysis
September 30, 2014

General Information

The Immokalee Fire Control District's (the District) discussion and analysis is designed to assist the reader in focusing on significant financial issues, provide an overview of the District's financial activity, identify changes in the District's financial ability to address the next and subsequent fiscal years challenges, identify any material deviations from the approved budget, and identify individual fund issues and concerns.

Management's Discussion and Analysis (MD&A) is intended to serve as an introduction to the District's basic financial statements which are composed of 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. It is designed to focus on the current fiscal year's activities, resulting changes and currently known facts, and should be read in conjunction with the District's financial statements.

Fiscal Year Highlights

As expected, the District's financial position increased during the fiscal year ended September 30, 2014. The District's revenue was up \$335,209 or 13% while expenses increased \$56,686 or 2% as compared to the fiscal year ended September 30, 2013. The District is debt free.

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. The statements combine and consolidate governmental fund short-term spendable resources with capital assets and long-term obligations.

The statements include a Statement of Net Position and a Statement of Activities that are designed to provide consolidated financial information about governmental activities of the District presented on the accrual basis of accounting.

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

The government-wide financial statements can be found on pages 4 and 5 of this report.

Immokalee Fire Control District
Management's Discussion and Analysis
September 30, 2014

Government-wide Financial Statements (continued)

Assets:	<u>2014</u>	<u>2013</u>
Cash and Other Current Assets	\$ 4,533,556	\$3,546,866
Capital Assets, Net of Depreciation	<u>520,352</u>	<u>427,758</u>
Total Assets	<u>5,053,908</u>	<u>3,974,624</u>
Liabilities:		
Accounts Payable and Other Current Liabilities	177,229	132,382
Unearned Revenue-impact fees	2,909,549	2,259,535
Long Term Liabilities	<u>371,651</u>	<u>339,740</u>
Total Liabilities	<u>3,458,429</u>	<u>2,731,657</u>
Net Position:		
Net Investment in Capital Assets	520,352	427,758
Unrestricted Net Assets	<u>1,075,127</u>	<u>815,209</u>
Total Net Position	<u>\$ 1,595,479</u>	<u>\$ 1,242,967</u>

The Statement of Activities presents information showing how the District's net position changed during the fiscal years. The focus is on both gross and net costs of various activities that are supported by the District's ad valorem tax and other revenues. Thus, revenues and expenses are reported in this Statement for some items that will only result in cash flows in a future fiscal period (e.g. uncollected taxes earned). This Statement is intended to summarize and simplify the user's analysis of the cost of various governmental services. An increase or decrease in net position may be an indication of whether the District's financial health is improving or deteriorating.

Revenues:	<u>2014</u>	<u>2013</u>
Program Fees	\$ 38,623	\$ 49,581
Ad Valorem Taxes	2,166,075	2,052,719
Interest Income	16,694	7,814
Grant Revenue	257,384	296,502
Impact Fees	214,201	4,276
Other Revenue	<u>166,899</u>	<u>113,775</u>
Total Revenue	2,859,876	2,524,667
Expenses		
Public Safety Expenses	2,507,364	2,450,678
Change in Net Position	<u>352,512</u>	<u>73,989</u>
Net Position - Beginning of the fiscal year	<u>1,242,967</u>	<u>1,168,978</u>
Net Position - Ending of the fiscal year	<u>\$1,595,479</u>	<u>\$ 1,242,967</u>

Immokalee Fire Control District
Management's Discussion and Analysis
September 30, 2014

Government-wide Financial Statements (Continued)

Both of the financial statements distinguish the functions of the District that are principally supported by ad valorem taxes and intergovernmental revenues. The governmental activities of the District are for public safety.

General Revenues

During fiscal year 2014 the District received \$113,356 more in ad valorem tax dollars over the prior fiscal year due to an increase in assessable value of property within the District. This represents a 6% increase. Other revenues, however, increased approximately \$221,853 net over the prior fiscal year due to the allowable use of impact fees.

Expenses

During the fiscal year of 2014 expenses increased by \$56,686 vs. the prior fiscal year due to increases in operating costs.

Net Position

During fiscal year 2014 net position increased by approximately \$352,512.

Liabilities

There continues to be no long term debt.

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 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on the short-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Both the governmental fund balance sheet and the governmental fund statement of revenues,

Immokalee Fire Control District
Management's Discussion and Analysis
September 30, 2014

Governmental Funds (continued)

expenditures, and changes in fund balance provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The District maintains two governmental funds, the General Fund and the Special Revenue Fund for impact fees. Each fund's activity is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances. These statements can be found on pages 6 and 8 of this report.

Notes to the Basic 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 and can be found beginning on page 10 of this report.

General Fund Budgetary Highlights

The District adopts an annual appropriated budget for each of its governmental funds. The actual ad valorem revenues were approximately \$2,700 more than budgeted due to various factors. The actual expenditures in the General Fund were approximately \$1,513,953 less than the final amended budget. The actual expenditures were less than budget in general due to not having to use any reserves to cover expenditures.

Capital Assets

The District's net investment in capital assets totaled \$520,352 as of September 30, 2014. This investment in capital assets includes land, buildings and improvements, equipment, and vehicles. The District purchased capital assets during the year ended September 30, 2014 in the amount of \$140,030 which consisted of various new equipment including thermal cameras, rescue equipment and equipment for the two new trucks that were ordered prior to September 30, 2014. The District paid a deposit of \$1,270,993 for a 95' ladder truck and a pumper truck prior to September 30, 2014. Delivery is expected during fiscal year 2015.

Immokalee Fire Control District
Management's Discussion and Analysis
September 30, 2014

Economic Factors and Next Year's Budget Rates

The following were factors considered when next year's budget (2014-2015) was prepared:

- The estimated property assessments increased by approximately \$63,000 or 3% for budgeting purposes for 2015 as compared to 2014. The millage rate stayed consistent at 3.75 mills for the fiscal year ending September 30, 2015. The District has reapplied for the Federal SAFER Grant in FY 16 to help fund personnel costs. The District will not know if it awarded the grant until approximately November 2015.

Request for information

This financial report is designed to provide the reader an overview of the District. Questions regarding any information provided in this report should be directed to: Immokalee Fire Control District, 502 East New Market Road, Immokalee, Florida 34142, attention Paul Anderson Fire Chief, telephone (239) 657-2111.

IMMOKALEE FIRE CONTROL DISTRICT
STATEMENT OF NET POSITION
September 30, 2014

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	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 1,537,348
Restricted cash and cash equivalents	1,638,667
Due from other governments, including restricted amount of \$53,279	69,396
Deposits	1,270,993
Prepaid expenses	<u>17,152</u>
Total current assets	<u>4,533,556</u>
Noncurrent assets:	
Capital assets:	
Land	114,916
Depreciable buildings, equipment and vehicles (net of \$2,710,343 accumulated depreciation)	<u>405,436</u>
Total noncurrent assets	<u>520,352</u>
TOTAL ASSETS	<u>5,053,908</u>
LIABILITIES	
Current liabilities:	
Accounts payable	86,250
Accrued liabilities	60,837
Unearned revenue - impact fees	2,909,549
Current portion of long-term obligations	<u>30,142</u>
Total current liabilities	3,086,778
Noncurrent liabilities:	
Noncurrent portion of long-term obligations	<u>371,651</u>
TOTAL LIABILITIES	<u>3,458,429</u>
NET POSITION	
Net investment in capital assets	520,352
Restricted	-
Unrestricted	<u>1,075,127</u>
TOTAL NET POSITION	<u>\$ 1,595,479</u>

The accompanying notes are an integral part of this statement.

IMMOKALEE FIRE CONTROL DISTRICT
STATEMENT OF ACTIVITIES
Year Ended September 30, 2014

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	Governmental Activities
EXPENSES	
Governmental Activities	
Public Safety - Fire Protection	
Personnel services	\$ 1,919,975
Operating expenses	539,953
Depreciation	47,436
Interest and fiscal charges	-
TOTAL EXPENSES - GOVERNMENTAL ACTIVITIES	<u>2,507,364</u>
PROGRAM REVENUES	
Charges for services	38,623
Operating grants and contributions	<u>257,384</u>
NET PROGRAM EXPENSES	<u>2,211,357</u>
GENERAL REVENUES	
Ad Valorem taxes	2,166,075
Impact fees	214,201
Interest	16,694
Loss on disposition of capital assets	-
Other	<u>166,899</u>
TOTAL GENERAL REVENUES	<u>2,563,869</u>
INCREASE IN NET POSITION	352,512
NET POSITION - Beginning of the year	<u>1,242,967</u>
NET POSITION - End of the year	<u>\$ 1,595,479</u>

The accompanying notes are an integral part of this statement.

IMMOKALEE FIRE CONTROL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2014

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	General Fund	Impact Fee Fund	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 1,537,348	\$ -	\$ 1,537,348
Restricted cash and cash equivalents	-	1,638,667	1,638,667
Due from other governments	16,117	53,279	69,396
Due from other funds	6,095	-	6,095
Deposits	-	1,270,993	1,270,993
Prepaid expenditures	17,152	-	17,152
TOTAL ASSETS	<u>\$ 1,576,712</u>	<u>\$ 2,962,939</u>	<u>\$ 4,539,651</u>
LIABILITIES AND FUND BALANCE			
LIABILITIES			
Accounts payable	\$ 38,955	\$ 47,295	\$ 86,250
Accrued liabilities	60,837	-	60,837
Due to other funds	-	6,095	6,095
Unearned revenue - impact fees	-	2,909,549	2,909,549
TOTAL LIABILITIES	<u>99,792</u>	<u>2,962,939</u>	<u>3,062,731</u>
FUND BALANCE			
Nonspendable	17,152	-	17,152
Assigned	1,012,016	-	1,012,016
Unassigned	447,752	-	447,752
TOTAL FUND BALANCE	<u>1,476,920</u>	<u>-</u>	<u>1,476,920</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 1,576,712</u>	<u>\$ 2,962,939</u>	<u>\$ 4,539,651</u>

The accompanying notes are an integral part of this statement.

IMMOKALEE FIRE CONTROL DISTRICT
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
September 30, 2014

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	<u>Amount</u>	
Total fund balance for governmental funds	\$ 1,476,920	
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Capital assets not being depreciated:		
Land	<u>114,916</u>	114,916
Governmental capital assets being depreciated:		
Building, Equipment and Vehicles	3,115,779	
Less accumulated depreciation	<u>(2,710,343)</u>	405,436
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Termination benefits	(60,284)	
Compensated absences	(218,905)	
Net OPEB obligation	<u>(122,604)</u>	<u>(401,793)</u>
Elimination of interfund amounts:		
Due from other funds	6,095	
Due to other funds	<u>(6,095)</u>	<u>-</u>
Total net position of governmental activities	<u>\$ 1,595,479</u>	

The accompanying notes are an integral part of this statement.

IMMOKALEE FIRE CONTROL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
Year Ended September 30, 2014

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	General Fund	Impact Fee Fund	Total Governmental Funds
REVENUES			
Ad Valorem taxes	\$ 2,166,075	\$ -	\$ 2,166,075
Intergovernmental revenues:			
Public safety grants - SAFER	256,904	-	256,904
Firefighter supplemental	480	-	480
Fees:			
Inspection fees	38,623	-	38,623
Impact fees	-	214,201	214,201
Miscellaneous:			
Interest	8,284	8,410	16,694
Other	166,899	-	166,899
Proceeds from disposition of capital assets	-	-	-
TOTAL REVENUES	<u>2,637,265</u>	<u>222,611</u>	<u>2,859,876</u>
EXPENDITURES			
Current			
Public safety			
Personnel services	1,888,064	-	1,888,064
Operating expenditures	450,371	89,582	539,953
Capital outlay	7,001	133,029	140,030
Debt service			
Principal reduction	-	-	-
Interest and fiscal charges	-	-	-
TOTAL EXPENDITURES	<u>2,345,436</u>	<u>222,611</u>	<u>2,568,047</u>
EXCESS OF REVENUES OVER EXPENDITURES	291,829	-	291,829
FUND BALANCE - Beginning of the year	<u>1,185,091</u>	<u>-</u>	<u>1,185,091</u>
FUND BALANCE - End of the year	<u>\$ 1,476,920</u>	<u>\$ -</u>	<u>\$ 1,476,920</u>

The accompanying notes are an integral part of this statement.

**IMMOKALEE FIRE CONTROL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE -
GOVERNMENTAL FUNDS TO THE STATEMENT
OF ACTIVITIES**

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Year Ended September 30, 2014

	<u>Amount</u>	
Net change (excess of revenues over expenditures) in fund balance - total governmental funds	\$ 291,829	
The increase (change) in net position reported for governmental activities in the statement of activities is different because:		
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.		
Expenditures for capital assets	140,030	
Less: proceeds from disposition of capital assets	-	
Plus: gain on disposition of capital assets	-	
Less: loss on disposition of capital assets	-	
Less: current year depreciation	<u>(47,436)</u>	
		92,594
The issuance of debt is reported as a financing source in governmental funds and thus contributes to the change in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position.		
Repayments (principal retirement): Note payable	<u>-</u>	-
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 governmental funds.		
Decrease in termination benefits	30,142	
Increase in compensated absences	(51,701)	
Increase in net OPEB obligation	<u>(10,352)</u>	
		<u>(31,911)</u>
Increase in net position of governmental activities		<u><u>\$ 352,512</u></u>

The accompanying notes are an integral part of this statement.

IMMOKALEE FIRE CONTROL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2014

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NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Immokalee Fire Control District (the "District"), is an independent special district established on May 3, 1955 by Laws of Florida, Chapter 55-30666, as amended. The District has the general and specific powers prescribed by Florida Statutes Chapters 189, 633 and Chapter 191. Laws of Florida, Chapter 2000-393 codified, reenacted, amended and repealed its prior enabling acts. Also, as a result of Laws of Florida, Chapter 2000-393, the District's name was changed from Immokalee Fire Control and Rescue District to Immokalee Fire Control District. Laws of Florida, Chapter 2001-330 amended Laws of Florida, Chapter 2000-393 and authorized the District to levy impact fees on new construction within the District. During January 2012, the voters within the District passed a referendum increasing the District's millage cap from 3 mills to 3.75 mills effective for the year ended September 30, 2013. The District was created for the purpose of providing fire control and protection services as well as crash and rescue services for a designated area in eastern Collier County. The District operates three (3) station houses. The District is governed by an elected five (5) member Board of Commissioners serving staggered four (4) year terms.

Summary of Significant Accounting Policies

The following is a summary of the significant accounting policies used in the preparation of these basic financial statements.

Reporting Entity

The District adheres to Governmental Accounting Standards Board (GASB) Statement Number 14, "Financial Reporting Entity," as amended by GASB Statement Number 39, "Determining Whether Certain Organizations Are Component Units" and GASB Statement Number 61, "The Financial Reporting Entity: Omnibus - An Amendment of GASB Statements No. 14 and No. 34". These statements require the basic financial statements of the District (the primary government) to include its component units, if any. A component unit is a legally separate organization for which the elected officials of the primary government are financially accountable. Based on the criteria established in GASB Statement No. 14, as amended, there are no component units required to be included or included in the District's basic financial statements.

**NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES, CONTINUED**

The basic financial statements of the District are comprised of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements

Government-wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the activities of the District and do not emphasize fund types. These governmental activities comprise the primary government. General governmental and intergovernmental revenues support the governmental activities. The purpose of the government-wide financial statements is to allow the user to be able to determine if the District is in a better or worse financial position than the prior year. The effect of all interfund activity between governmental funds has been removed from the government-wide financial statements.

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement Number 33, "Accounting and Financial Reporting for Nonexchange Transactions," (GASB 33).

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as expenditures. Proceeds of long-term debt are recorded as liabilities in the government-wide financial statements, rather than as other financing sources. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability in the government-wide financial statements, rather than as expenditures.

**NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES, CONTINUED**

Government-wide Financial Statements, continued

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital improvements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Program revenues are considered to be revenues generated by services performed and/or by fees charged such as inspection fees.

Capital grant revenues are grants from other governmental entities restricted for the purchase of specific capital assets.

Fund Financial Statements

The District adheres to GASB Statement Number 54, "Fund Balance Reporting and Governmental Fund Type Definitions".

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity or retained earnings, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

Fund financial statements for the District's governmental funds are presented after the government-wide financial statements. These statements display information about major funds individually and nonmajor funds, in aggregate, for governmental funds.

**NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES, CONTINUED**

Governmental Funds

When both restricted and unrestricted resources are combined in a fund, expenditures are considered to be paid first from restricted resources, as appropriate, and then from unrestricted resources. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period.

The District's major funds are presented in separate columns on the governmental fund financial statements. The definition of a major fund is one that meets certain criteria set forth in GASB Statement Number 34, "(GASB 34)". The funds that do not meet the criteria of a major fund are considered non-major funds and are combined into a single column on the governmental fund financial statements.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported in separate columns on the fund financial statements.

Measurement Focus and Basis of Accounting

Basis of accounting refers to when revenues and expenditures, or expenses, are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting.

**NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES, CONTINUED**

Measurement Focus and Basis of Accounting, continued

Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period and soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers tax revenues to be available if they are collected within sixty days of the end of the current fiscal period.

Revenues susceptible to accrual are property taxes, interest on investments, and intergovernmental revenues. Property taxes are recorded as revenues in the fiscal year in which they are levied, provided they are collected in the current period or within sixty days thereafter. Interest on invested funds is recognized when earned. Intergovernmental revenues that are reimbursements for specific purposes or projects are recognized when all eligibility requirements are met.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include: (1) principal and interest on the general long-term debt, if any, which is recognized when due; and (2) expenditures are generally not divided between years by the recording of prepaid expenditures.

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

Separate financial statements are provided for governmental funds.

Non-current Government Assets/Liabilities

GASB 34 requires non-current governmental assets, such as land and buildings, and non-current governmental liabilities, such as notes payable and capital leases to be reported in the governmental activities column in the government-wide Statement of Net Position.

**NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES, CONTINUED**

Major Funds

The District reports the following major governmental funds:

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

The Impact Fee Fund consists of fees imposed and collected by Collier County based on new construction within the District. The fees are restricted and can only be used for certain capital expenditures and/or the related debt associated with growth within the District.

Budgetary Information

The District has elected to report budgetary comparison of major funds as required supplementary information (RSI).

Investments

The District adheres to the requirements of Governmental Accounting Standards Board (GASB) Statement Number 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools," in which all investments are reported at fair value.

The District held no investments at September 30, 2014.

Capital Assets

Capital assets, which include land, construction in progress, buildings, equipment and machinery and vehicles are reported in the government-wide financial statements in the Statement of Net Position.

The District follows a capitalization policy which calls for capitalization of all fixed assets that have a cost or donated value of \$750 or more and have a useful life in excess of one year.

**NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES, CONTINUED**

Capital Assets, continued

All capital assets are valued at historical cost, or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair market value on the date donated. Public domain (infrastructure) capital assets consisting of certain improvements other than building, including curbs, gutters and drainage systems, are not capitalized, as the District generally does not acquire such assets. No debt-related interest expense is capitalized as part of capital assets in accordance with GASB 34.

Maintenance, repairs and minor renovations are not capitalized. The acquisition of land and construction projects utilizing resources received from Federal and State agencies are capitalized when the related expenditure is incurred.

Expenditures that materially increase values, change capacities, or extend useful lives are capitalized. Upon sale or retirement, the cost is eliminated from the respective accounts.

Expenditures for capital assets are recorded in the fund statements as current expenditures. However, such expenditures are not reflected as expenditures in the government-wide statements, but rather are capitalized and depreciated.

Depreciable capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset</u>	<u>Years</u>
Buildings	30
Equipment and Machinery	3-15
Vehicles	5-8

**NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES, CONTINUED**

Budgets and Budgetary Accounting

The District has adopted an annual budget for the General Fund.

The District has also adopted an annual budget for its Special Revenue Fund, the Impact Fee Fund.

The District follows these procedures in establishing budgetary data for the General Fund and the Impact Fee Fund:

1. During the summer of each year, the District Fire Chief submits to the Board of Commissioners a proposed operating budget for the fiscal year commencing on the upcoming October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. The budget is adopted by approval of the Board of Commissioners.
4. Budget amounts, as shown in these financial statements, are as originally adopted or as amended by the Board of Commissioners.
5. The budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America.
6. The level of control for appropriations is exercised at the fund level.
7. Appropriations lapse at year-end.

The District did approve one budget amendment during the year ended September 30, 2014 to the General Fund.

The District did amend the Impact Fee Fund budget during the year ended September 30, 2014.

**NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES, CONTINUED**

Impact Fees/Deferred Revenue

Through an inter-local agreement, the District levies an impact fee on new construction within the District. The intent of the fee is for growth within the District to pay for capital improvements needed due to the growth. The fee is collected by Collier County and is remitted to the District. The fee is refundable if not expended by the District within a reasonable period from the date of collection. The District, therefore, records this fee as restricted cash and as deferred revenue until the date of expenditure, at which time it is recognized as revenue and charged to capital outlay in the fund financial statements and capital assets in the government-wide financial statements.

Due To/From Other Funds

Interfund receivables and payables arise from interfund transactions and are recorded by funds affected in the period in which transactions are executed.

Due From Other Governments

No allowance for losses on uncollectible accounts has been recorded since the District considers all amounts to be fully collectible.

Compensated Absences

The District's employees accumulate annual leave, based on the number of years of continuous service. Upon termination of employment, employees can receive payment of accumulated annual leave, if certain criteria are met. The costs of vacation and personal leave benefits (compensated absences) are expended in the respective operating funds when payments are made to employees. However, the liability for all accrued vacation and personal leave benefits is recorded in the government-wide Statement of Net Position.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the District because, at present, it is not necessary in order to assure effective budgetary control or to facilitate effective cash planning and control.

**NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES, CONTINUED**

Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Net Assets

In the government-wide financial statements no net assets have been identified as restricted. Restricted net assets are those net assets that have constraints as to their use externally imposed by creditors, through debt covenants, by grantors, or by law.

Fund Balances

The governmental fund financial statements the District maintains may include nonspendable, restricted, committed, assigned and unassigned fund balances. Nonspendable fund balances are those that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Criteria include items that are not expected to be converted into cash, for example prepaid expenses.

Restricted fund balance consists of amounts that can be spent only on specific purposes stipulated by constitutional provisions or enabling legislation or externally imposed by creditors, grantors, contributors, or laws or regulations of other governments. The District maintained no restricted fund balances at September 30, 2014.

Committed fund balance consists of amounts that represent resources whose use is constrained by limitations the Board (highest decision making) imposes upon itself. These constraints made by the Board remain binding unless removed in the same manner. The District maintained no committed fund balances at September 30, 2014.

IMMOKALEE FIRE CONTROL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2014

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**NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES, CONTINUED**

Fund Balances, continued

Assigned fund balance represents the portion of fund balance that reflects the District's intended use of resources. Such intent can only be established by the Board. The District maintained assigned fund balance totaling \$1,012,016 for various uses at September 30, 2014 (see Note J). The Board's minimum fund balance policy is to maintain not less than three (3) month's budgeted expenditures in assigned fund balance as well as other specifically assigned amounts.

Unassigned fund balance is the portion of fund balance representing resources in excess of what can properly be classified in one of the other categories.

Interfund Transactions

The District considers interfund receivables (due from other funds) and interfund liabilities (due to other funds) to be loan transactions to and from other funds to cover temporary (three months or less) cash needs. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing funds and as reduction of expenditures in the fund that is reimbursed.

Subsequent Events

Subsequent events have been evaluated through April 28, 2015, which is the date the financial statements were available to be issued.

NOTE B - CASH AND CASH EQUIVALENTS

At September 30, 2014, cash and cash equivalents were \$3,176,015, which included \$100 cash on hand, unrestricted cash of \$1,537,248 (General Fund) and restricted cash of \$1,638,667, which was held in the Impact Fee Fund. Restricted cash is comprised of impact fees which are restricted for capital asset acquisition and/or improvement due to growth within the District.

IMMOKALEE FIRE CONTROL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2014

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NOTE B - CASH AND CASH EQUIVALENTS, CONTINUED

Deposits

The District's deposit policy allows deposits to be held in demand deposit or money market accounts and other investments per Florida Statutes, Chapter 218.415(17). All District deposits were held in a financial institution designated as a qualified depository by the State Treasurer.

At September 30, 2014, the carrying amounts of the District's deposits were \$1,537,248 and \$1,638,667 in the General Fund and the Impact Fee Fund, respectively. At September 30, 2014, bank balances were \$1,558,807 and \$1,641,037 in the General Fund and Impact Fee Fund, respectively. These deposits were entirely insured by federal depository insurance or by collateral pursuant to the Public Depository Security Act (Florida Statute 280) of the State of Florida.

NOTE C - DUE TO/FROM OTHER FUNDS

Interfund receivables and payables at September 30, 2014, are as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund:		
Impact Fee	\$ 6,095	\$ -
Total General Fund	<u>6,095</u>	<u>-</u>
Special Revenue Fund:		
Impact Fee:		
General	-	6,095
Total Special Revenue Fund	<u>-</u>	<u>6,095</u>
Total	<u>\$ 6,095</u>	<u>\$ 6,095</u>

Interfund receivables and payables were eliminated for presentation purposes in the Statement of Net Position at September 30, 2014.

IMMOKALEE FIRE CONTROL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2014

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NOTE D - CAPITAL ASSETS ACTIVITY

The following is a summary of changes in capital assets activity for the year ended September 30, 2014:

	Balance October 1 2013	Increases/ Additions	Decreases/ Deletions	Adjustments/ Reclassifications	Balance September 30 2014
Capital Assets Not Being Depreciated:					
Land	\$ 114,916	\$ -	\$ -	\$ -	\$ 114,916
Construction in Progress	-	-	-	-	-
Total Capital Assets Not Being Depreciated	<u>114,916</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>114,916</u>
Capital Assets Being Depreciated:					
Buildings	455,967	-	-	-	455,967
Equipment & Machinery	587,079	140,030	-	-	727,109
Vehicles	<u>1,932,703</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,932,703</u>
Total Capital Assets Being Depreciated	<u>2,975,749</u>	<u>140,030</u>	<u>-</u>	<u>-</u>	<u>3,115,779</u>
Less Accumulated Depreciation:					
Buildings	(280,592)	(11,500)	-	-	(292,092)
Equipment & Machinery	(478,596)	(33,514)	-	-	(512,110)
Vehicles	<u>(1,903,719)</u>	<u>(2,422)</u>	<u>-</u>	<u>-</u>	<u>(1,906,141)</u>
Total Accumulated Depreciation	<u>(2,662,907)</u>	<u>(47,436)</u>	<u>-</u>	<u>-</u>	<u>(2,710,343)</u>
Total Capital Assets Being Depreciated, Net	<u>312,842</u>	<u>92,594</u>	<u>-</u>	<u>-</u>	<u>405,436</u>
Capital Assets, Net	<u>\$ 427,758</u>	<u>\$ 92,594</u>	<u>\$ -</u>	<u>\$ -</u>	<u>520,352</u>
				Related debt	<u>-</u>
				Net investment in capital assets	<u>\$ 520,352</u>

IMMOKALEE FIRE CONTROL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2014

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NOTE D - CAPITAL ASSETS ACTIVITY, CONTINUED

Depreciation expense was charged to the following functions during the year ended September 30, 2014:

	<u>Amount</u>
General Government	\$ 47,436
Total Depreciation Expense	<u>\$ 47,436</u>

NOTE E - LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended September 30, 2014:

	Balance October 1 2013	Additions	Retirements / Adjustments	Balance September 30 2014	Amounts Due Within One Year
Termination Benefits	\$ 90,426	\$ -	\$ (30,142)	\$ 60,284	\$ 30,142
Compensated Absences	167,204	51,701	-	218,905	-
Net OPEB Obligation	<u>112,252</u>	<u>10,352</u>	<u>-</u>	<u>122,604</u>	<u>-</u>
	<u>\$ 369,882</u>	<u>\$ 62,053</u>	<u>\$ (30,142)</u>	<u>\$ 401,793</u>	<u>\$ 30,142</u>

The following is a summary of the long-term obligations at September 30, 2014:

	<u>Amount</u>
Early termination benefits. During the year ended September 30, 2011, the District accepted the voluntary early retirement of a long term employee to reduce long term operating costs (see Note L). The benefits are payable over a five (5) year period ending October 2015. See Note L for the five (5) year payment requirements.	\$ 60,284
Non-current portion of compensated absences. Employees of the District are entitled to paid leave (sick, vacation and comp time) based on length of service and job classification.	218,905
Net OPEB obligation. Cumulative difference between annual OPEB cost and District payments toward the cost of post employment benefits other than pensions since GASB No. 45 transition date of October 1, 2011.	<u>122,604</u>
Total long-term liabilities	401,793
Current portion	<u>30,142</u>
Noncurrent portion	<u>\$ 371,651</u>

IMMOKALEE FIRE CONTROL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2014

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NOTE F - RETIREMENT PLAN

Plan Description and Provisions

All District employees are participants in the statewide Florida Retirement System (FRS) under the authority of Article X, Section 14 of the State Constitution and Florida Statutes, Chapters 112 and 121. The FRS was noncontributory prior to July 1, 2011. Beginning July 1, 2011, FRS required a 3% of eligible compensation employee contribution for all classes of employees except those enrolled in the DROP program, which required no employee contribution. The FRS is totally administered by the State of Florida. The District contributed 100% of the required contributions. Pension costs for the District ranged between 6.95% and 19.82% of gross wages for the year ended September 30, 2014. The District's contributions to the plan were \$224,064, \$188,482, and \$109,523, for the years ended September 30, 2014, 2013, and 2012 respectively. The District's covered payroll costs for the plan were \$1,199,275, \$1,139,452 and \$789,278, for the years ended September 30, 2014, 2013, and 2012, respectively.

Employees enrolled prior to July 1, 2011, who retire (at or after age 62) with 6 years of creditable service (6 years for elected state officials), 6 years of senior management service and age 62, 6 years of special risk service and age 55, or 30 years of service (25 for special risk) regardless of age, are entitled to a retirement benefit, payable for life, equal to 1.6% to 3.0% per year of creditable service, depending on the class of employee (regular, special risk, etc.) based on average final compensation of the five (5) highest fiscal years' compensation. Benefit cannot exceed 100% of average final compensation.

Employees enrolled on or after July 1, 2011, who retire (at or after age 65) with 8 years of creditable service (8 years for elected state officials), 8 years of senior management service and age 65, 8 years of special risk service and age 60, or 33 years of service (30 for special risk) regardless of age, are entitled to a retirement benefit, payable for life, equal to 1.6% to 3.0% per year of creditable service, depending on the class of employee (regular, special risk, etc.) based on average final compensation of the eight (8) highest fiscal years' compensation. Benefit cannot exceed 100% of average final compensation.

Benefits vest after six years of credited service, if enrolled prior to July 1, 2011 and after eight years of credited service if enrolled on or after July 1, 2011. Vested employees may retire anytime after vesting and incur a 5% benefit reduction for each year prior to normal retirement age.

**IMMOKALEE FIRE CONTROL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2014**

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NOTE F - RETIREMENT PLAN, CONTINUED

Description of Funding Policy

Early retirement, disability, death, and survivor benefits are also offered. Benefits are established by state statute. The plan provides for a constant 3% cost-of-living adjustment for retirees for service earned prior to July 1, 2011.

The Plan also provides several other plan and/or investment options that may be elected by the employee. Each offers specific contribution and benefit options. The Plan documents should be referenced for complete detail.

Plan Information

A copy of the FRS June 30, 2014 annual report can be obtained by writing to the Florida Division of Retirement, Cedars Executive Center, 2639-C North Monroe Street, Tallahassee, Florida 32399-1560, or by calling (850) 488-5706.

NOTE G - PROPERTY TAXES

Property taxes are levied after formal adoption of the District's budget and become due and payable on November 1 of each year and are delinquent on April 1 of the following year. Discounts on property taxes are allowed for payments made prior to the April 1 delinquent date. Tax certificates are sold to the public for the full amount of any unpaid taxes and must be sold not later than June 1 of each year. The billing, collection, and related recordkeeping of all property taxes is performed for the District by the Collier County Tax Collector. No accrual for the property tax levy becoming due in November 2014 is included in the accompanying financial statements, since such taxes are collected to finance expenditures of the subsequent period.

Procedures for collecting delinquent taxes, including applicable tax certificate sales and tax deed sales, are provided for by Florida Statutes. The enforceable lien date is approximately two years after taxes become delinquent and occurs only upon request of a holder of a delinquent tax certificate. As of September 30, 2014, \$16,117 was due from the Collier County Tax Collector for ad valorem taxes and excess fees.

IMMOKALEE FIRE CONTROL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2014

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NOTE G - PROPERTY TAXES, CONTINUED

Important dates in the property tax cycle are as follows:

Assessment roll certified	July 1
Millage resolution approved	No later than 93 days following certification of assessment roll
Beginning of fiscal year for which taxes have been levied	October 1
Taxes due and payable (levy date)	November 1 with various discount provisions through March 31
Property taxes payable - maximum discount (4 percent)	30 days after levy date
Due date	March 31
Taxes become delinquent (lien date)	April 1
Tax certificates sold by the Collier County Tax Collector	Prior to June 1

For the year ended September 30, 2014, the Board of Commissioners of the District levied ad valorem taxes at a millage rate of \$3.75 per \$1,000 (3.75 mills) of the 2013 net taxable value of real property located within the District.

NOTE H - IMPACT FEE FUND ACTIVITY

During the year ended September 30, 2014, the Impact Fee Fund had the following activity:

	<u>Amount</u>
Unearned revenue, October 1, 2013	\$2,259,535
Impact fee receipts*	864,215
Interest income	8,410
Operating expenditures**	(81,189)
Capital outlay	(133,029)
Commissions (admin fee) - paid to Collier County	(8,393)
Unearned revenue, September 30, 2014	<u>\$2,909,549</u>

* Includes \$53,279 due from Collier County.

** Capital asset purchases with individual item cost below District capitalization threshold of \$750.

IMMOKALEE FIRE CONTROL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2014

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NOTE I - 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; injuries to employees; and natural disasters.

Insurance programs for general/professional liability, automobile and property are covered by commercial insurance. The District retains the risk of loss up to a deductible amount (ranging from \$0 to \$2,500) with the risk of loss in excess of this amount transferred to the insurance carrier with limits of liability of \$1,000,000 per occurrence and \$10,000,000 in the aggregate. The District is third party insured for employee health, dental and vision as well as worker's compensation.

NOTE J - FUND BALANCE ALLOCATIONS

Fund balance was allocated for the following purposes at September 30, 2014:

<u>Nonspendable Fund Balance</u>	<u>Amount</u>
<u>General Fund</u>	
Prepaid expenditures	\$ 17,152
Total Nonspendable Fund Balance - General Fund	<u>\$ 17,152</u>
<u>Assigned Fund Balance</u>	<u>Amount</u>
<u>General Fund</u>	
Assigned for fiscal year startup (90 day operations)	\$ 465,000
Fleet reserves	145,000
Accrued liabilities	128,754
Disaster reserves	135,000
OPEB GASB reserves	98,262
800 MHZ radio reserves	<u>40,000</u>
Total Assigned Fund Balance - General Fund	<u>\$ 1,012,016</u>

NOTE K - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (OPEB)

Plan Description

The District's defined contribution OPEB Plan provides the opportunity to obtain health insurance benefits to its retired employees. The year ended September 30,

**NOTE K - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS
(OPEB), CONTINUED**

Plan Description, continued

2012, was the District's transition year. GASB No. 45 required transition at September 30, 2010. As such, the District implemented GASB No. 45 on a prospective basis. All retired full-time employees are eligible for OPEB benefits if actively employed by the District immediately before retirement. As of September 30, 2014, there were no retirees receiving these benefits. The benefits are provided both with and without contractual agreements.

Funding Policy

The District's OPEB benefits are unfunded. The retiree is eligible for benefits under the District's health plan, but is obligated to reimburse the District for 100% of the cost of the retiree's health coverage. As such, the District has no ultimate obligation for the retiree's health insurance premium. The District acts as agent for the retiree on a pay-as-you-go basis and recognizes expenditures at the time the premiums are due. The District does, however, incur the cost of premium rate being increased on its active employees due to providing coverage to its retirees. The District has not determined if a separate trust fund or equivalent arrangement will be established into which the District would make contributions to advance-fund the obligation. Therefore, no separate financial statement is issued. All required disclosures are presented herein.

Annual OPEB Cost and Net OPEB Obligation

The District's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC). The District has elected to calculate the ARC and related information and has used the alternative measurement method, in conjunction with an actuarial firm, permitted by GASB Statement 45 for employers in plans with fewer than one hundred total plan members. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the District's net OPEB obligation to the Retiree Health Plan:

IMMOKALEE FIRE CONTROL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2014

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**NOTE K - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS
(OPEB), CONTINUED**

Annual OPEB Cost and Net OPEB Obligation, continued

	<u>Amount</u>
Annual required contribution	\$ 10,666
Interest on net OPEB obligation	3,314
Adjustment to annual required contribution	<u>(3,628)</u>
Annual OPEB cost (expense)	10,352
Contributions made	<u>-</u>
Increase in net OPEB obligation	10,352
Net OPEB obligation - beginning of year	<u>112,252</u>
Net OPEB obligation - end of year	<u><u>\$ 122,604</u></u>

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2014 is as follows:

<u>Fiscal</u> <u>Year Ended</u>	<u>Annual</u> <u>OPEB Cost</u>	<u>Percentage of</u> <u>Annual OPEB</u> <u>Cost</u> <u>Contributed</u>	<u>Net OPEB</u> <u>Obligation</u>
09/30/14	\$ 10,352	0.0%	\$ 122,604
09/30/13 (2)	\$ 30,000	0.0%	\$ 112,252
09/30/12 (1)	\$ 82,252	0.0%	\$ 82,252

(1) Year of transition

(2) Estimated. No actuarial study performed

Funded Status and Funding Process

As of September 30, 2014, the actuarial accrued liability for benefits was \$539,307, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$1,195,445, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 37.96 percent.

**NOTE K - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS
(OPEB), CONTINUED**

Funded Status and Funding Process, continued

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The following simplifying assumptions were made:

Retirement age for active employees - Based on the historical average retirement age for the covered group, active plan members were assumed to retire at age 59.

Marital status - Marital status of member at the calculation date was assumed to continue throughout retirement.

Mortality - Life expectancies were based on RP2000 Mortality Tables for Males and Females projected 10 years.

Turnover - Non-group-specific age-based turnover data from GASB Statement 45 were used as the basis for assigning active members a probability of remaining

IMMOKALEE FIRE CONTROL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2014

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NOTE K - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS
(OPEB), CONTINUED

Methods and Assumptions, continued

employed until the assumed retirement age and for developing an expected future working lifetime assumption for purposes of allocating to periods the present value of total benefits paid.

Healthcare cost trend rate - The expected rate of increase in healthcare insurance premiums was based on the Getsen model promulgated by the Society for Actuaries for use in long-term trend projection. A rate of 8.0 percent initially, reduced to an ultimate rate of 4.7 percent after ten years was used.

Health insurance premiums - November 1, 2011 health insurance premiums for retirees were used as the basis for calculation of the present value of total benefits to be paid.

Payroll growth rate - The expected long-term payroll growth rate of 2.5 percent was based on the average annual percentage change in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPA-W) from 2003 - 2008.

Based on the historical and expected returns of the District's short-term investment portfolio, a discount rate of 4.0 percent was used. In addition, a simplified version of the entry age actuarial cost method was used. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll in an open basis. The remaining amortization period at September 30, 2014, was twenty-eight (28) years.

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Funding Progress for the Retiree Health Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
9/30/13	\$ 85,470	\$ 539,307	\$ 432,837	15.85%	\$1,195,445	37.9%
9/30/12	\$ -	\$ 429,349	\$ 429,349	0.00%	\$ 789,278	54.4%

IMMOKALEE FIRE CONTROL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2014

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NOTE L - TERMINATION BENEFITS

During the year ended September 30, 2011, the District accepted the early retirement offer of a long term employee in exchange for severance pay in the gross amount of \$140,000 to reduce long-term operating costs. The severance package is payable in equal annual installments over five (5) years beginning October 15, 2011.

During the year ended September 30, 2014, the District paid \$30,142 in termination benefits and related FICA payroll taxes under the terms of this agreement.

The future cost of the severance agreement including related payroll taxes is as follows:

<u>Year Ending September 30</u>	<u>Amount</u>
2015	\$ 30,142
2016	30,142
	<u>\$ 60,284</u>

NOTE M - COMMITMENTS

During the year ended September 30, 2012, the District was awarded a Federal SAFER grant of \$736,920. The grant provided funding over a two (2) year period beginning August 11, 2012.

The grant provided funding for the District to rehire or obtain six (6) firefighter positions. Specifically, the grant provides separate funding amounts for wages and the respective taxes and routine benefits. It does not provide funding for overtime, certain types of benefits or the operating or capital costs related to the above noted firefighting positions.

The grant requires the District to pay the grant allowable costs then seek reimbursement. Therefore, during the year ended September 30, 2014, the District applied for reimbursement of \$256,904.

IMMOKALEE FIRE CONTROL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2014

Page 33 of 46

NOTE M - COMMITMENTS, CONTINUED

The grant requires the District to fill and maintain these six (6) positions during the period of the grant. The District is not required or obligated to maintain these firefighter positions after the grant period expires. If the positions were to be retained after the expiration of the grant the District would be responsible to fund 100% of the related costs. As of September 30, 2014, it appears the District's only means to fund such costs after the grant period ends would be by General Fund Revenues or its General Fund fund balance.

In January 2014, the District entered into a contract to purchase a 95 foot ladder truck and typhoon pumper truck in the amount of \$1,270,993. The District was required to provide a deposit for this amount; which was funded and recorded during the year ended September 30, 2014. The District anticipates receipt of the vehicles in fiscal year 2015 but will not take ownership of the vehicles until after a final inspection at time of delivery is completed.

**REQUIRED SUPPLEMENTARY
INFORMATION
OTHER THAN MD&A**

IMMOKALEE FIRE CONTROL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND -
SUMMARY STATEMENT
Year Ended September 30, 2014

Page 34 of 46

	General Fund			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Ad Valorem taxes	\$ 2,112,179	\$ 2,163,350	\$ 2,166,075	\$ 2,725
Intergovernmental revenues:				
Public safety grant - SAFER	294,340	276,256	256,904	(19,352)
Firefighter supplemental	-	-	480	480
Inspection fees	50,000	40,000	38,623	(1,377)
Miscellaneous:				
Interest	6,000	6,000	8,284	2,284
Other	153,650	188,192	166,899	(21,293)
Proceeds from disposition of capital assets	5,000	500	-	(500)
Reserves brought forward	38,850	67,322	-	(67,322)
Cash brought forward	1,117,769	1,117,769	-	(1,117,769)
TOTAL REVENUES	<u>3,777,788</u>	<u>3,859,389</u>	<u>2,637,265</u>	<u>(1,222,124)</u>
EXPENDITURES				
Current				
Public safety				
Personnel services	1,918,640	1,933,062	1,888,064	44,998
Operating expenditures	462,416	516,803	450,371	66,432
Capital outlay	62,000	62,000	7,001	54,999
Debt service				
Principal reduction	-	-	-	-
Interest and fiscal charges	-	-	-	-
Assigned - 90 day reserve	465,000	465,000	-	465,000
Assigned- Fleet Reserves	145,000	145,000	-	145,000
Assigned- Accrued Liabilities	128,754	128,754	-	128,754
Assigned- Disaster Reserves	135,000	135,000	-	135,000
Assigned- 800 Radio Reserves	40,000	40,000	-	40,000
Assigned - GASB reserve	85,470	98,262	-	98,262
Reserves- unassigned	335,508	335,508	-	335,508
TOTAL EXPENDITURES	<u>3,777,788</u>	<u>3,859,389</u>	<u>2,345,436</u>	<u>1,513,953</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	291,829	<u>\$ 291,829</u>
FUND BALANCE - Beginning			<u>1,185,091</u>	
FUND BALANCE - Ending			<u>\$ 1,476,920</u>	

The accompanying notes are an integral part of this statement.

IMMOKALEE FIRE CONTROL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
DETAILED STATEMENT
Year Ended September 30, 2014

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	General Fund			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Ad Valorem taxes	2,112,179	2,163,350	2,166,075	2,725
Intergovernmental revenues:				
Public safety grant - SAFER	294,340	276,256	256,904	(19,352)
Firefighter supplemental	-	-	480	480
Inspection fees	50,000	40,000	38,623	(1,377)
Miscellaneous:				
Interest income	6,000	6,000	8,284	2,284
Proceeds from disposition of capital assets	5,000	500	-	(500)
Seminole contract	125,000	125,000	129,413	4,413
PILT farm workers village	6,650	6,650	6,650	-
Donations	500	500	116	(384)
User Fees	20,000	-	-	-
Other income	1,500	56,042	30,720	(25,322)
Subtotal	2,621,169	2,674,298	2,637,265	(37,033)
Reserves brought forward	38,850	67,322	-	(67,322)
Cash brought forward	1,117,769	1,117,769	-	(1,117,769)
TOTAL REVENUES	3,777,788	3,859,389	2,637,265	(1,222,124)
EXPENDITURES				
PERSONNEL SERVICES				
Salaries				
Firefighters & administrative	1,119,608	1,195,445	1,162,317	33,128
EMT incentive pay	51,000	-	-	-
Overtime pay	45,000	51,500	48,495	3,005
Holiday pay	24,837	-	-	-
Separation pay	28,000	28,000	28,000	-
Bonuses	13,000	-	-	-
Payroll taxes				
Social Security	89,552	89,552	93,770	(4,218)
Benefits				
Retirement	214,139	222,830	224,064	(1,234)
Group insurance	264,000	264,000	264,299	(299)
Workers compensation	67,004	79,235	67,004	12,231
Unemployment	-	-	-	-
Physicals	2,500	2,500	115	2,385
SUBTOTAL - PERSONNEL SERVICES	1,918,640	1,933,062	1,888,064	44,998
OPERATING				
Contracted Services				
Bank service charges	300	300		300
Legal fees	18,500	34,045	34,204	(159)
Property appraiser fees	18,898	18,898	15,714	3,184
Tax collection fees	46,690	46,690	44,130	2,560
Audit	19,000	19,000	19,690	(690)
Contracted services	37,086	37,086	24,405	12,681
Generators	-	-	925	(925)
Pest control	-	-	480	(480)
Subtotal - Contracted services	140,474	156,019	139,548	16,471

The accompanying notes are an integral part of this statement.

IMMOKALEE FIRE CONTROL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
DETAILED STATEMENT - CONTINUED
Year Ended September 30, 2014

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	General Fund			Variance
	Original Budget	Final Budget	Actual	Favorable (Unfavorable)
OPERATING, CONTINUED				
Operating				
Education and training	20,000	20,000	19,320	680
Travel	3,000	3,000	3,685	(685)
Communications - telephone	11,200	11,200	9,013	2,187
Postage	500	500	656	(156)
Utilities	27,000	27,000	21,723	5,277
Liability insurance	39,767	39,767	39,828	(61)
Subtotal - Operating	101,467	101,467	94,225	7,242
Maintenance				
Vehicle	45,000	69,000	70,290	(1,290)
Equipment - firefighter and rescue	12,000	12,000	6,556	5,444
Office equipment	1,500	1,500	1,515	(15)
Computer	2,000	2,000	8	1,992
Communications - radio	2,250	2,250	2,890	(640)
Building	12,000	25,242	30,964	(5,722)
Bunker gear	5,000	5,000	2,380	2,620
Cascade system	2,500	2,500	1,853	647
Subtotal - Maintenance	82,250	119,492	116,456	3,036
Legal advertising	1,500	1,500	1,754	(254)
Supplies				
Office	2,500	3,100	3,232	(132)
Shipping	500	500	27	473
Firefighter rescue	25,000	25,000	8,902	16,098
Station - janitorial	4,000	4,000	3,926	74
Training	2,500	2,500	293	2,207
Fuel and oil	50,000	50,000	43,693	6,307
Uniforms	12,000	12,000	10,441	1,559
Employee	500	500	59	441
Physical fitness equipment	600	600	-	600
Inter-departmental	375	375	308	67
Computer software and training	6,000	6,000	5,081	919
Miscellaneous	750	750	787	(37)
Bunker gear	14,000	14,000	11,518	2,482
Fire prevention	1,500	1,500	-	1,500
Communication (radio)	2,500	2,500	770	1,730
Communication (phone)	1,000	1,000	78	922
Station - non janitorial	1,000	1,000	946	54
Public education	2,500	3,500	3,015	485
Furniture	1,500	1,500	839	661
Computer equipment	4,500	4,500	1,229	3,271
Fire Inspection	500	500	-	500
PETC	-	-	-	-
Public safety grants	-	-	-	-
Books and dues	3,000	3,000	3,244	(244)
Subtotal - Supplies	136,725	138,325	98,388	39,937

The accompanying notes are an integral part of this statement.

IMMOKALEE FIRE CONTROL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
DETAILED STATEMENT - CONTINUED
Year Ended September 30, 2014

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	General Fund			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
SUBTOTAL - OPERATING EXPENDITURES	462,416	516,803	450,371	66,432
Capital Outlay				
Firefighter rescue equipment	50,000	50,000	7,001	42,999
Communication equipment	12,000	12,000	-	12,000
Building	-	-	-	-
Furniture - Office	-	-	-	-
Station equipment	-	-	-	-
Computer equipment	-	-	-	-
SUBTOTAL - CAPITAL OUTLAY	62,000	62,000	7,001	54,999
Debt service				
Principal retirement	-	-	-	-
Interest charges and fiscal	-	-	-	-
SUBTOTAL - DEBT SERVICE	-	-	-	-
Assigned - 90 day OPS	465,000	465,000	-	465,000
Assigned- Fleet Reserves	145,000	145,000	-	145,000
Assigned- Accrued Liabilities	128,754	128,754	-	128,754
Assigned- Disaster Reserves	135,000	135,000	-	135,000
Assigned- 800 Radio Reserves	40,000	40,000	-	40,000
Assigned - GASB Reserves	85,470	98,262	-	98,262
Reserves - Unassigned	335,508	335,508	-	335,508
TOTAL EXPENDITURES	3,777,788	3,859,389	2,345,436	1,513,953
EXCESS OF REVENUES				
OVER EXPENDITURES	\$ -	\$ -	291,829	\$ 291,829
FUND BALANCE - BEGINNING			1,185,091	
FUND BALANCE - ENDING			\$ 1,476,920	

The accompanying notes are an integral part of this statement.

IMMOKALEE FIRE CONTROL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - IMPACT FEE FUND
SUMMARY STATEMENT
Year Ended September 30, 2014

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	Impact Fee Fund			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Ad Valorem taxes	\$ -	\$ -	\$ -	\$ -
Impact fees	200,000	821,200	214,201	(606,999)
Intergovernmental revenue - grants			-	-
Miscellaneous:				
Interest	3,600	7,000	8,410	1,410
Other			-	-
Cash brought forward	2,230,636	2,231,085	-	(2,231,085)
TOTAL REVENUES	<u>2,434,236</u>	<u>3,059,285</u>	<u>222,611</u>	<u>(2,836,674)</u>
EXPENDITURES				
Current				
Public safety				
Personnel services	-			-
Operating expenditures	-		89,582	(89,582)
Capital outlay	2,040,000	2,040,000	133,029	1,906,971
Debt service				
Principal reduction				-
Interest and fiscal charges				-
Contingency	394,236	1,019,285	-	1,019,285
TOTAL EXPENDITURES	<u>2,434,236</u>	<u>3,059,285</u>	<u>222,611</u>	<u>2,836,674</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
FUND BALANCE - Beginning			<u>-</u>	
FUND BALANCE - Ending			<u>\$ -</u>	

The accompanying notes are an integral part of this statement.

ADDITIONAL REPORTS

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

Board of Commissioners
Immokalee Fire Control District
502 East New Market Road
Immokalee, Florida 34142

We have audited, 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 of America, the basic financial statements of the governmental activities and each major fund of Immokalee Fire Control District (the "District") as of and for the year ended September 30, 2014, and the related notes to the financial statements which collectively comprise the District's basic financial statements as listed in the table of contents and have issued our report thereon dated April 28, 2015.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. 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 Immokalee Fire Control 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.

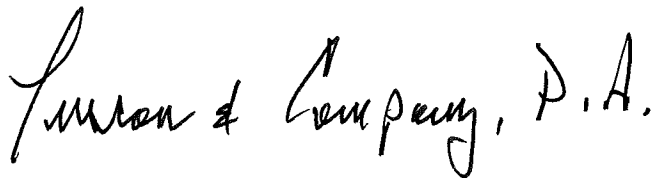
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined previously. However, material weaknesses may exist that have not been identified. We did, however, note certain other items that we reported in our Report to Management dated April 28, 2015.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Immokalee Fire Control District's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of basic financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards. Such matters are noted in our Report to Management dated April 28, 2015.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing 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 black ink that reads "TUSCAN & COMPANY, P.A." in a cursive, stylized font.

TUSCAN & COMPANY, P.A.

Fort Myers, Florida

April 28, 2015

**INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE
WITH SECTION 218.415, FLORIDA STATUTES**

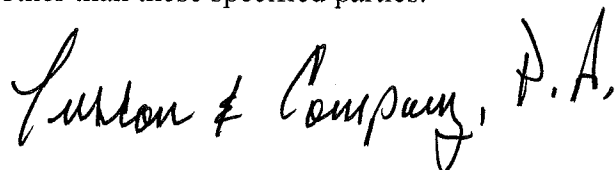
Board of Commissioners
Immokalee Fire Control District
502 East New Market Road
Immokalee, Florida 34142

We have examined Immokalee Fire Control District's compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2014. Management is responsible for Immokalee Fire Control District's compliance with those requirements. Our responsibility is to express an opinion on Immokalee Fire Control District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about Immokalee Fire Control District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on Immokalee Fire Control District's compliance with specified requirements.

In our opinion, Immokalee Fire Control District complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2014.

This report is intended solely for the information and use of Immokalee Fire Control 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.



TUSCAN & COMPANY, P.A.
Fort Myers, Florida
April 28, 2015

INTEGRITY SERVICE EXPERIENCE

INDEPENDENT AUDITOR'S REPORT TO MANAGEMENT

Board of Commissioners
Immokalee Fire Control District
502 East New Market Road
Immokalee, Florida 34142

We have audited the accompanying basic financial statements of Immokalee Fire Control District (the "District") as of and for the year ended September 30, 2014 and have issued our report thereon dated April 28, 2015.

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 of America and Chapter 10.550, Rules of the Florida Auditor General. We have issued our Independent Auditor's 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 Chapter 10.550, Rules of the Florida Auditor General. Disclosures in those reports, which are dated April 28, 2015, should be considered in conjunction with this report to management.

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

- 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. Prior year comments that appear to have not been resolved are repeated and updated below.
- Section 10.554(1)(i)2., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. Such recommendations were noted to improve financial management.

INTEGRITY SERVICE EXPERIENCE

- Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have an effect on the financial statements that is less than material but more than inconsequential. In connection with our audit, we did have such comments as noted below.
- Section 10.554(1)(i)4., Rule of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit if the reporting entity be disclosed in the management letter, unless disclosed in the notes to the financial statements. The District discloses this information in the notes to the financial statements.
- Section 10.554(1)(i)5.a., Rules of the Auditor General, requires a statement be included as to whether or not the local government entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.
- Section 10.554(1)(i)5.b., Rules of the Auditor General, requires that we determine whether the annual financial report for the District for the fiscal year ended September 30, 2014, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a) Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2014. In connection with our audit, we determined that these two reports were in agreement.
- Pursuant to Sections 10.554(1)(i)5.c. and 10.556(7), Rules of the Auditor General, we have applied financial condition assessment procedures. It is management's responsibility to monitor the District's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.
- Pursuant to Section 10.554(1)(i)5.d., Rules of the Auditor General, requires a statement indicating a failure, if any, of a component unit Special District to provide financial information necessary to a proper reporting of the component unit within the audited financial statements of this entity (F.S. Section 218.39(3)(b)). There are no known component special districts required to report within these financial statements.

- Section 10.556(10)(a), Rules of the Auditor General, requires that the scope of our audit to determine the entity's compliance with the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the District complied with Section 218.415, Florida Statutes as reported in our Independent Accountant's Report on Compliance with Section 218.415, Florida Statutes dated April 28, 2015, included herein.

PRIOR YEAR COMMENTS:

Prior year comments that appear to have been resolved have been deleted. Those remaining prior year comments each have a current year addendum which reflects the current status of the comment.

2013-01 Non Compliance Noted

During the audit, the District could not document that a schedule of the Board of Commissioners meeting dates was sent to the Collier County Clerk (F.S. 189.015). The District also could not document the Board meeting schedule was properly published.

Department of Financial Services Rule 69I-73.006 requires an annual physical inventory of capital assets. The District did not take the required inventory.

We recommend the District ensure future compliance.

CURRENT YEAR COMMENTS:

2014-01 Compensated Absences Should be Monitored for all Employees

During the audit, we noted the Chief had a payout of vacation time during this fiscal year, which was allowed under the Chief's contract. However, the District had not been tracking the Chief's balance of sick and vacation hours and no record of time off taken was available to us. Therefore, we were unable to test the Chief's accrued compensated absences during fieldwork.

We recommend the District track all employees' balances of sick and vacation hours throughout the year to ensure that compensated absences are complete and accurate. Additionally, the Chief's vacation accrual and time taken should be Board approved.

2014-02 Accounts Payable Function Should be Utilized in the Impact Fee Fund

During the audit, it was noted that the District was not utilizing the accounts payable function in the accounting software for the impact fee fund. As a result, the District is not tracking accounts payable for items purchased with impact fees which resulted in proposed audit adjustments.

We recommend that the District utilize the accounts payable function in their accounting software to track and monitor accounts payable disbursements for the impact fee fund and ensure proper recording of all liabilities.

2014-03 Maintain a Check Register for the Impact Fee Operating Account

During the audit, it was noted that the District is not maintaining a check register for disbursements processed utilizing impact fee funds. The District is currently hand writing impact fee checks and posting the checks with a journal entry.

We recommend that the District maintain a check register for all disbursements and perform all disbursements via the accounting software.

2014-04 Increase Support for Justification of Use of Impact Fees

During the audit, it was noted that the District purchased several items below the capitalization threshold in which they utilized impact fee funds and posted the purchases to the capital outlay account line item. The items should be separately recorded in a non-capital outlay account or grouped if part of a larger purchase like a truck. In addition, supporting documentation for capital assets purchased with impact fees should include support that justifies the use of impact fees.

We recommend the District's attorney render a written opinion on the intended purchase using impact fees prior to purchase. The opinion should be filed with the item's invoice.

2014-05 Reconciliation of Fixed Asset and Accounting Software Should be Performed Monthly

Accounting software and fixed asset tracking software should be reconciled. It was noted during the audit that the fixed asset software did not agree to the fixed asset balance in the accounting software. This was due largely to the accounting staff excluding related freight charges for capital assets while these amounts were included in the fixed asset tracking software as a cost of the asset. In addition, there were several items that had been recorded in either the accounting software or the fixed asset tracking software and not in the other.

We recommend that the fixed asset software and accounting software be reconciled not less than monthly.

2014-06 Increased Training for Accounting Staff

During the year ended September 30, 2014 financial audit, we noted that fourteen (14) adjusting journal entries were proposed. The entries predominately resulted from financial areas that were not reconciled properly.

We recommend the District assess and monitor the needs of the administrative staff and ensure that there are adequately trained resources for the accounting function. To accomplish this, we recommend the use of a third party accounting firm to review and assist staff on a monthly basis.

2014-07 Payroll Reports Should be Reconciled

We noted the District did contract a payroll service as recommended in the prior year. As such, we assisted the District reconcile the payroll reports for a portion of the year.

We recommend the District contract a third party accounting firm to assist with this reconciliation in the future. We also recommend the District verify that the payroll service timely makes the IRS payroll deposits.

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

A handwritten signature in cursive script that reads "Tuscan & Company, P.A.".

TUSCAN & COMPANY, P.A.

Fort Myers, Florida

April 28, 2015

EXHIBIT



Immokalee Fire Control District

502 New Market Road East, Immokalee, FL. 34142

Office of the Fire Chief



DATE: May 20, 2015

TO: Tuscan & Company, PA

FROM: Paul Anderson, Jr., Fire Chief

SUBJECT: Reply to Comments on Annual Financial Statement Year Ended September 30, 2014

The following are replies to financial audit comments included in the independent auditor financial statement for year ended September 30, 2014:

2012-01 Non Compliance Noted

- The District has created a "Website Change Form" to be utilized each time the District's web site is revised with posting of financial and budget notices and documents. The completed forms will be filed with the financial audit documents.
- The revision date of each posting or change will be included on each page of the District's web site.
- The District is currently researching other website options that will better enable administrators to show compliance with this requirement, including the possibility of changing web hosting vendors.
- The District will obtain a confirmation of receipt from the Collier County Clerk's Office in the future. The confirmation of receipt will be filed with the financial audit documents.

2014-01 Compensated Absences Should be Monitored for all Employees

- A tracking system has been incorporated into the payroll system where up-to-date accrued hours for vacation, sick, and compensatory time, as well as YTD hours used for each, is shown on each individual's paycheck stub as well as on the weekly payroll report.

2014-02 Accounts Payable Function Should be Utilized in the Impact Fee Fund

- The current process for Impact Fee Fund expenditures utilizes hand-written checks. This is in the process of being changed to utilize the same financial software program utilized for the District's General Fund expenditures by creating a separate fund in the software for the Impact Fee account, which will be associated with the Impact Fee bank account.

2014-03 Maintain a Check register for the Impact Fee Operating Account

- This will be accomplished upon switching to the financial software process noted in 2014-02 above.

2014-04 Increase Support for Justification of Use of Impact Fees

- Fire District's Attorney is providing written legal opinion on purchases utilizing Impact Fees, we had not received those as of the date of the audit. They will be placed in the file upon receipt.

2014-05 Reconciliation of Fixed Asset and Accounting Software Should be Performed Monthly

- Discrepancies were discovered regarding amount of expenditures for fixed assets between the financial accounting software and the fixed asset records during the audit. These discrepancies were due to fixed asset records including the cost of shipping in the cost/value of some of the items, while the financial accounting software did not include the cost of shipping in the cost of a specific fixed asset. Those numbers were reconciled upon being discovered.
- A procedure has been established for staff that take care of the financial accounting software data and the fixed asset records to reconcile those records monthly. This procedure will also be added to the District's Purchasing Policy.

2014-06 Increased Training for Accounting Staff

- District staff has already received additional training on accounting software and entries and we will continue to seek training opportunities.
- We are reaching out to a retired individual experienced in our accounting software and procedures as well as government operations to come on board as a part-time employee to assist us in finance, accounting, and payroll.
- We will be contacting a third party accounting firm experienced in government accounting to discuss the possibility of a monthly audit and reconciliation of accounts.

2014-07 Payroll Reports Should be Reconciled

- District staff has already received additional training on accounting software and entries and we will continue to seek training opportunities.
- We are reaching out to a retired individual experienced in our accounting software and procedures as well as government operations to come on board as a part-time employee to assist us in finance, accounting, and payroll.

- We will be contacting a third party accounting firm experienced in government accounting to discuss the possibility of a monthly audit and reconciliation of accounts, including payroll.
- We have been monitoring the timeliness of payroll deposits by the contracted payroll service, including both IRS and pension. We have found some discrepancies as well as timeliness issues and have addressed those with the payroll service, who has committed to correct any and all deficiencies. We will continue monitoring to determine if a change in payroll service companies or bringing the payroll function back in-house needs to be done in the future, with a potential date for change of January 1, 2016.

I believe that the above actions have adequately addressed both the prior year and current year comments included in the report from the independent financial auditor for the year ended September 30, 2014 and dated April 28, 2015.

Paul Anderson, Jr.



Fire Chief/District Manager

E-Mail: panderson@immfire.com

www.immfire.com