

MOORE HAVEN MOSQUITO CONTROL DISTRICT
BASIC FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2014

**MOORE HAVEN MOSQUITO CONTROL DISTRICT
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SEPTEMBER 30, 2014**

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INDEPENDENT AUDITORS' REPORT

Honorable Commissioners
Moore Haven Mosquito Control District
Moore Haven, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the general fund of the Moore Haven Mosquito 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.

Auditors' Responsibility

Our responsibility is to express opinions 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. 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 auditors' 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 the 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 opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the general fund of the District as of September 30, 2014, and the respective changes in financial position and budgetary comparison for the general fund 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 (MD&A) on pages 3-6 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 who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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, contracts, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Fort Myers, Florida
April 28, 2015

Moore Haven Mosquito Control District Management's Discussion and Analysis (Unaudited)

This section of the financial report presents our discussion and analysis of the Moore Haven Mosquito Control District's (the "District") financial performance during the fiscal year ended September 30, 2014. Please read it in conjunction with the District's financial statements, which follow this section.

Financial Highlights

For the fiscal year ended September 30, 2014, the assets of the District exceeded its liabilities by \$82,823. This amount represents unrestricted net positions available to be used to meet future ongoing obligations.

The District's total debt remained unchanged at \$-0- during the current fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's financial statements, which are comprised of the following components: government-wide financial statements, fund financial statements, and notes to the basic financial statements.

Government-Wide Financial Statements. Government-wide financial statements (statement of net position and statement of activities found on pages 7 and 8) are intended to allow a reader to assess a *government's* operational accountability. Operational accountability is defined as the extent to which the *government* has met its operating objectives efficiently and effectively, using all resources available for that purpose, and whether it can continue to meet its *objectives* for the foreseeable future. Government-wide financial statements concentrate on the District as a whole and do not emphasize fund types.

The *Statement of Net Position* (page 7) presents information on all of the District's assets and liabilities, with the difference between the two reported as *net position*. The District's capital assets (property, plant, and equipment) are included in this statement and reported net of their accumulated depreciation.

The *Statement of Activities* (page 8) presents revenue and expense information showing how the District's net position changed during the fiscal year. Both statements are measured and reported using the economic resource measurement focus (revenues and expenses) and the accrual basis of accounting (revenue recognized when earned and expense recognized when a liability is incurred).

Governmental Fund Financial Statements. The accounts of the District are organized on the basis of governmental 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, revenues, and expenditures. 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.

Governmental fund financial statements (found on pages 9 and 11) are prepared on the modified accrual basis using the current financial resources measurement focus.

Under the modified accrual basis of accounting, revenues are recognized when they become measurable and available as net current assets.

Notes to the Basic Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the preceding financial statements and begin on page 12.

Financial Analysis

As noted previously, the change in net position over time should serve as a useful indicator of the District's financial position. The District's assets exceeded liabilities by \$82,823 at the close of the most recent fiscal year as compared to the District's assets exceeding liabilities by \$76,260 at the close of fiscal year ended September 30, 2013.

The following is a condensed summary of net position for the District for fiscal years 2014 and 2013:

| | <u>2014</u> | <u>2013</u> |
|------------------------------|------------------|------------------|
| Assets: | | |
| Current and Other Assets | \$ 86,601 | \$ 80,028 |
| Total Assets | <u>\$ 86,601</u> | <u>\$ 80,028</u> |
| Liabilities: | | |
| Current Liabilities | \$ 3,778 | \$ 3,768 |
| Total Liabilities | <u>3,778</u> | <u>3,768</u> |
| Net Position: | | |
| Unrestricted | 82,823 | 76,260 |
| Total Net Position | <u>82,823</u> | <u>76,260</u> |
| Liabilities and Net Position | <u>\$ 86,601</u> | <u>\$ 80,028</u> |

During the current fiscal year, the District's net position increased by \$6,563. Refer to Budgetary Highlights section for discussion regarding reasons for the increase in net position.

The following schedule reports the revenues, expenses, and changes in net position for the District for the fiscal years 2014 and 2013:

| | <u>2014</u> | <u>2013</u> |
|-----------------------------------|------------------|------------------|
| Revenues: | | |
| General Revenues: | | |
| Intergovernmental | \$ 14,728 | \$ 9,250 |
| Interest Income | 1 | 10 |
| Program Revenues: | | |
| Charges for services | <u>63,829</u> | <u>64,184</u> |
| Total Revenues | <u>78,558</u> | <u>73,444</u> |
| Expenses: | | |
| Human Services - Mosquito Control | | |
| Personal Service | 33,823 | 32,436 |
| Operating | <u>38,172</u> | <u>31,036</u> |
| Total Expenses | <u>71,995</u> | <u>63,472</u> |
| Increase in Net Position | 6,563 | 9,972 |
| Net Position - beginning | <u>76,260</u> | <u>66,288</u> |
| Net Position - ending | <u>\$ 82,823</u> | <u>\$ 76,260</u> |

Budgetary Highlights

The District adopts an annual budget for its fund as required by Florida Statute. The difference between the final budgeted expenditures and actual expenditures represents a favorable variance of \$55,981 or 43.7 percent of budgeted expenditures. The District budgets annually in Capital Outlay for new equipment, we did not have to purchase any. The District did not spend the money budgeted on building repairs and none was spent on travel and per diem. Certain weather conditions will cause higher or lower activities with the mosquitoes. In fiscal year 2014, we had a longer winter season which resulted in a shorter spraying season and a lower amount of purchases of chemicals.

Capital Assets

The District's depreciable assets include buildings and machinery and equipment.

| | <u>2014</u> | <u>2013</u> |
|--|---------------|---------------|
| Capital Assets | | |
| Buildings | \$ 15,984 | \$ 15,984 |
| Machinery and Equipment | <u>35,895</u> | <u>35,895</u> |
| Total Capital Assets Being Depreciated | 51,879 | 51,879 |
| Accumulated Depreciation | | |
| Buildings | 15,984 | 15,984 |
| Machinery and Equipment | <u>35,895</u> | <u>35,895</u> |
| Total Accumulated Depreciation | <u>51,879</u> | <u>51,879</u> |
| Capital Assets, Net | <u>\$ -</u> | <u>\$ -</u> |

There were no capital asset purchases/projects that took place in fiscal year 2014.

Additional information on the District's capital assets can be found in Note 5 of the notes to the financial statements.

Debt

As of September 30, 2014 and 2013, the District had no outstanding debt.

Economic Factors and Future Impacts

At this time the District does not anticipate any economic factors or future impacts.

Requests for Information

This financial report is designed to provide a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. Questions concerning any of the information provided in this report, or requests for additional information, should be addressed to the Moore Haven Mosquito Control District, PO Box 852, Moore Haven, FL 33471.

**MOORE HAVEN MOSQUITO CONTROL DISTRICT
STATEMENT OF NET POSITION
SEPTEMBER 30, 2014**

ASSETS

| | |
|-------------------------|---------------|
| Cash | \$ 54,712 |
| Certificates of Deposit | 10,230 |
| Accounts receivable | 12,251 |
| Inventories | <u>9,408</u> |
| Total Assets | <u>86,601</u> |

LIABILITIES

| | |
|--|--------------|
| Accounts Payable and Accrued Liabilities | <u>3,778</u> |
| Total Liabilities | <u>3,778</u> |

NET POSITION

| | |
|--------------------|------------------|
| Unrestricted | <u>82,823</u> |
| Total Net Position | <u>\$ 82,823</u> |

See accompanying Notes to Financial Statements.

**MOORE HAVEN MOSQUITO CONTROL DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2014**

Program Expenses:

Human Services - Mosquito Control

| | |
|------------------|-----------|
| Personal Service | \$ 33,823 |
|------------------|-----------|

| | |
|-----------|--------|
| Operating | 38,172 |
|-----------|--------|

| | |
|------------------------|---------------|
| Total Program Expenses | <u>71,995</u> |
|------------------------|---------------|

Program Revenues:

| | |
|----------------------|---------------|
| Charges for Services | <u>63,829</u> |
|----------------------|---------------|

| | |
|----------------------|--------------|
| Net Program Expenses | <u>8,166</u> |
|----------------------|--------------|

General Revenues:

| | |
|-------------------|--------|
| Intergovernmental | 14,728 |
|-------------------|--------|

| | |
|-----------------|----------|
| Interest Income | <u>1</u> |
|-----------------|----------|

| | |
|------------------------|---------------|
| Total General Revenues | <u>14,729</u> |
|------------------------|---------------|

| | |
|--------------------------|-------|
| Increase in Net Position | 6,563 |
|--------------------------|-------|

| | |
|---------------------------------|---------------|
| Net Position - Beginning | <u>76,260</u> |
|---------------------------------|---------------|

| | |
|------------------------------|-------------------------|
| Net Position - Ending | <u><u>\$ 82,823</u></u> |
|------------------------------|-------------------------|

See accompanying Notes to Financial Statements.

**MOORE HAVEN MOSQUITO CONTROL DISTRICT
BALANCE SHEET – GENERAL FUND
SEPTEMBER 30, 2014**

ASSETS

| | | |
|-------------------------|----|--------|
| Cash | \$ | 54,712 |
| Certificates of Deposit | | 10,230 |
| Accounts Receivable | | 12,251 |
| Inventories | | 9,408 |
| Total Assets | \$ | 86,601 |

LIABILITIES AND FUND BALANCE

LIABILITIES

| | | |
|---------------------------------------|----|-------|
| Accounts Payable and Accrued Expenses | \$ | 3,778 |
| Total Liabilities | | 3,778 |

FUND BALANCE

| | | |
|------------------------------------|----|--------|
| Nonspendable | | 9,408 |
| Unassigned | | 73,415 |
| Total Fund Balance | | 82,823 |
| Total Liabilities and Fund Balance | \$ | 86,601 |

See accompanying Notes to Financial Statements.

**MOORE HAVEN MOSQUITO CONTROL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2014**

REVENUES

| | | |
|----------------------|----|--------|
| Charges for Services | \$ | 63,829 |
| Intergovernmental | | 14,728 |
| Interest | | 1 |
| Total Revenues | | 78,558 |

EXPENDITURES

| | | |
|-----------------------------------|--|--------|
| Current | | |
| Human Services - Mosquito Control | | |
| Personal Services | | 33,823 |
| Operating Expenditures | | 38,172 |
| Total Expenditures | | 71,995 |

| | | |
|--|--|-------|
| Excess Revenues over (under) Expenditures | | 6,563 |
|--|--|-------|

| | | |
|--------------------------------|--|--------|
| FUND BALANCE, Beginning | | 76,260 |
|--------------------------------|--|--------|

| | | |
|-----------------------------|----|--------|
| FUND BALANCE, Ending | \$ | 82,823 |
|-----------------------------|----|--------|

**MOORE HAVEN MOSQUITO CONTROL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2014**

| | Budget Amounts | | Amounts | Variance with Final Budget |
|--|--------------------|--------------------|------------------|-------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Charges for Services | \$ 63,000 | \$ 63,000 | \$ 63,829 | \$ 829 |
| Intergovernmental | 14,728 | 14,728 | 14,728 | - |
| Interest | 10 | 10 | 1 | (9) |
| Total Revenues | <u>77,738</u> | <u>77,738</u> | <u>78,558</u> | <u>820</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Human Services | | | | |
| Personal services | 38,755 | 38,755 | 33,823 | 4,932 |
| Operating Expenditures | 54,100 | 54,100 | 38,172 | 15,928 |
| Capital Outlay | 24,921 | 24,921 | - | 24,921 |
| Contingency | 10,200 | 10,200 | - | 10,200 |
| Total Expenditures | <u>127,976</u> | <u>127,976</u> | <u>71,995</u> | <u>55,981</u> |
| Excess Revenues over (under) Expenditures | <u>\$ (50,238)</u> | <u>\$ (50,238)</u> | 6,563 | <u>\$ 56,801</u> |
| FUND BALANCE, Beginning | | | <u>76,260</u> | |
| FUND BALANCE, Ending | | | <u>\$ 82,823</u> | |

See accompanying Notes to Financial Statements.

**MOORE HAVEN MOSQUITO CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014**

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

The Moore Haven Mosquito Control District (the "District") is an independent special district created to perform mosquito control and suppression in Moore Haven, Florida, in accordance with Chapter 388, Florida Statutes. The District was created as the Moore Haven Mosquito Control District by Chapter 67-1726, Laws of Florida. The business and affairs of the District are governed by a board of three commissioners who are elected for terms of four years.

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America applicable to state and local governmental entities, which are promulgated by the Governmental Accounting Standards Board ("GASB"). The accompanying financial statements have been prepared in accordance with GASB statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*.

Financial Reporting Entity

Governmental Accounting Standards Board (GASB) Statement No. 14, *Financial Reporting Entity*, as amended by GASB statements 39 and 61, provides standards for defining the financial reporting entity. 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 No. 14 and amendments, there are no component units required to be included in the District's financial statements.

Basic Financial Statements

The government-wide financial statements consist of a statement of net position and a statement of activities that report information about the District as a whole. The statement of net position reports all financial and capital resources, or all non-fiduciary activities.

The statement of activities demonstrates the degree to which the direct expenses of the District's program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include: 1) charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given program; 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program; and 3) grants and contributions that are restricted to meeting capital requirements of a particular function or segment. Other items not included among program revenues are reported as general revenues.

Fund financial statements are presented to report additional and detailed information about the District. Fund financial statements accompany the government-wide financial statements and present a summary reconciliation to explain differences between the data reported in the governmental funds and the data reported for the corresponding governmental activities in the government-wide financial statements.

**MOORE HAVEN MOSQUITO CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014**

**NOTE 1 ORGANIZATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Measurement Focus and Basis of Accounting, and Financial Statement Presentation

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. Grant and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. For this purpose, the District considers revenues available if they are collected within 60 days of the end of the fiscal year. Non-exchange transaction revenue is recognized when measurable and available and when eligibility requirements have been met. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period.

Charges for services are recognized when earned and intergovernmental revenue is recognized when eligibility requirements are met. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Fund Accounting

The accounts of the District are organized on the basis of a fund which is accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenue, and expenditures, as appropriate. Government resources are allocated to and accounted for in the fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The following governmental fund is used by the District:

General Fund - The General fund is the general operating fund of the District. All financial resources are recorded in the General Fund.

Significant Accounting Policies

Accounting 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 certain amounts and disclosures. Actual results could differ from those estimates.

Cash

The District considers cash to be cash on hand, demand deposits, and certificates of deposit with a maturity date of one year or less.

**MOORE HAVEN MOSQUITO CONTROL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 2014**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
 (CONTINUED)**

Significant Accounting Policies (Continued)

Accounts Receivable

Accounts receivable is reported net of an allowance for uncollectible accounts and revenues net of uncollectibles. Allowances are reported when accounts are deemed to be uncollectible. The District considers the ending accounts receivable balance at September 30, 2014 to be fully collectible. Therefore, no allowance has been recorded.

Inventory

Inventory consists of chemicals for mosquito control spraying. The chemicals are valued at lower of cost or market using the first-in, first-out (FIFO) method. The cost is recorded as expenditures at the time individual inventory items are consumed. Reported inventories are equally offset by a nonspendable portion of fund balance in the fund financial statements, which indicates that they do not constitute "available spendable resources."

Capital Assets

Buildings, vehicles, and equipment are reported at historical cost or estimated historical cost, net of depreciation. They are recorded as expenditures in the general fund (i.e., capital outlay) at the time of acquisition and are then capitalized at the government-wide level. Donated assets are recorded at their fair market value at the date donated. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized whereas costs incurred for repairs and maintenance are expensed as incurred.

The capitalization threshold is \$1,000 and an estimated useful life of greater than one year which is based on Florida Statute 274.02 and Florida Rule – 69I-73.002. Depreciation is recorded using the straight-line method over the estimated useful life of the asset. The estimated useful lives of depreciable assets are as follows.

| | Years |
|----------------------|-------|
| Buildings | 15 |
| Vehicles & Equipment | 5 |

**MOORE HAVEN MOSQUITO CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Significant Accounting Policies (Continued)

Fund Balance

The District has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." Accordingly, in the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balance is reported in five components: nonspendable, restricted, committed, assigned, and unassigned.

Nonspendable Fund Balance – Amounts that are (a) not in spendable form or (b) legally or contractually required to be maintained intact. "Not in spendable form" includes items that are not expected to be converted to cash (such as inventories and prepaid amounts) and items such as long-term amount of loans and notes receivable, as well as property acquired for resale. The corpus (or principal) of a permanent fund is an example of an amount that is legally or contractually required to be maintained intact.

Restricted Fund Balance – Amounts that can be spent only for specific purposes stipulated by (a) external resource providers such as creditors (by debt covenants), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – Amounts that can be used only for the specific purposes determined by a formal action (resolution) of the Board of Commissioners (the "Board"), the District's highest level of decision making authority. Commitments may be changed or lifted only by the Board taking the same formal action (resolution) that imposed the constraint originally. Resources accumulated pursuant to stabilization arrangements sometimes are reported in this category.

Assigned Fund Balance – Includes spendable fund balance amounts established by the administration of the District that are intended to be used for specific purposes that are neither considered restricted or committed.

Unassigned Fund Balance – Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been restricted, committed, or assigned to specific purposes within the general fund. Unassigned fund balance may also include negative balances for the general fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The District expends restricted amounts first when both restricted and unrestricted fund balances are available unless there are legal documents that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the District would first use committed fund balance, followed by assigned fund balance and then unassigned fund balance when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**MOORE HAVEN MOSQUITO CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Significant Accounting Policies (Continued)

Net Position

Net position of the government-wide statements are categorized as net investment in capital assets, restricted or unrestricted. Net investment in capital assets represents net position related to property, plant, and equipment net of depreciation and net of any outstanding debt related to the acquisition or construction of the asset. The restricted net position represents the balance of assets restricted by bond requirements and other externally imposed constraints or by legislation in excess of the related liabilities payable from restricted assets. Unrestricted net position is available for any project purpose. A deficit will require future funding.

Revenue Recognition

Charges for services are billed to the customer on a monthly basis by the City of Moore Haven. The City collects and remits the mosquito assessment fee on behalf of the District. Intergovernmental revenue is recognized when the eligibility requirements imposed by the state have been met.

NOTE 2 BUDGETARY INFORMATION

Budgets and Budgetary Accounting

The District follows the procedures listed below in establishing the budgetary data reflected in the financial statements:

1. The Board develops a work plan and budget during the month of July for the coming fiscal year. The budget proposes the level of service to be provided and the funding source. The work plan and budget are submitted to the State Department of Agriculture and Consumer Services-Bureau of Entomology and Pest Control for approval.
2. The State reviews the work plan and determines the level of state funding for the year. Once the amount of state funding is determined, the remaining services are reviewed and finalized and a determination is made whether any assessment fees are necessary.
3. The final budget is due to the State for approval by October 1.
4. Budgets are prepared on the same basis of accounting for governmental fund types. There was one budget amendment during the fiscal year.

**MOORE HAVEN MOSQUITO CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014**

NOTE 3 CASH

As of September 30, 2014, the District's cash was as follows:

| | | |
|--------------------------------------|----|--------|
| Deposits with financial institutions | \$ | 54,712 |
| Certificates of Deposit | | 10,230 |
| | | 64,942 |
| | \$ | 64,942 |

Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. In accordance with its policy, all District depositories are banks designated by the Florida Chief Financial Officer as qualified public depositories. Chapter 280 of the Florida Statutes, "Florida Security for Public Deposits Act," provides procedures for public depositories to ensure public monies in banks and saving and loans are collateralized with the Florida Chief Financial Officer as agent for the public entities. Chapter 280 defines deposits as demand deposit accounts, time deposit accounts, and nonnegotiable certificates of deposit.

Financial institutions qualifying as public depositories shall deposit with the Florida Chief Financial Officer eligible collateral at the pledging level required pursuant to Chapter 280. The Florida Security for Public Deposits Act has a procedure for the payment of losses in the event of a default or insolvency. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof, and therefore, the District is not exposed to custodial credit risk for its deposits.

With the nonnegotiable certificate of deposit, there is no document that, if lost or stolen, would affect the District's rights to its assets.

NOTE 4 INVENTORY

Inventories consisted of the following September 30, 2014:

| | | |
|-----------|----|--------------------|
| | | Carrying Amount |
| Chemicals | \$ | 9,408 |
| | | 9,408 |

**MOORE HAVEN MOSQUITO CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014**

NOTE 5 CAPITAL ASSETS

Capital assets' activity for the year ended September 30, 2014, is summarized as follows:

| | Beginning Balance | Additions | Deletions | Ending Balance |
|---|----------------------|--------------------|--------------------|--------------------|
| <i>Capital Assets Being Depreciated</i> | | | | |
| Buildings | \$ 15,984 | \$ - | \$ - | \$ 15,984 |
| Machinery and Equipment | 35,895 | - | - | 35,895 |
| Total Capital Assets Being Depreciated | <u>\$ 51,879</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 51,879</u> |
| <i>Less Accumulated Depreciation for:</i> | | | | |
| Buildings | 15,984 | - | - | 15,984 |
| Machinery and Equipment | 35,895 | - | - | 35,895 |
| Total Accumulated Depreciation | <u>51,879</u> | <u>-</u> | <u>-</u> | <u>51,879</u> |
| Total Capital Assets Being Net | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> |

Depreciation expense totaling \$-0- was charged to the primary government for the year ended September 30, 2014.

NOTE 6 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. The District retains no risk of loss.

Settled claims did not exceed insurance coverage limits during the last three years.

**MOORE HAVEN MOSQUITO CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014**

NOTE 7 RELATED PARTY TRANSACTIONS

The District has transactions with the City of Moore Haven. The City of Moore Haven bills and collects for mosquito assessment fees on behalf of the District. The District compensates the City by paying an annual administrative fee for billing and collection services. For the year ended September 30, 2014, the District received \$73,920 in mosquito control assessment fees from the City and paid the City \$2,500 for administrative services. In addition, the District leased land from the City for \$1.00 per year for the purpose of an office site and for storing chemicals and equipment. The lease expires November 30, 2017.

The District also has transactions with business entities owned by members of the District's management. For the year ended September 30, 2014, total payments made or payable to business entities owned by members of management were \$1,229.

The District also employs a member related to one of the Board Commissioners. For the year ended September 30, 2014, total payments made to this employee were \$919.

NOTE 8 RETIREMENT PLAN

All full-time employees of the District are participants in the Florida Retirement System (the System), a multiple-employer cost-sharing public retirement system. The System, which is controlled by the State Legislature and administered by the State of Florida, Department of Administration, Division of Retirement, covers more than 623,000 full-time employees of various governmental units within the State of Florida.

For employees enrolled prior to July 1, 2011, the System provides for vesting of benefits after six years of creditable service. Normal retirement benefits are available to regular employees who retire at or after age 62 with six or more years of service or has 30 years of service, regardless of age. Early retirement is available after a member is vested and is within 20 years of normal retirement age; however, there is a 5% reduction of benefits for each year prior to the normal retirement age. Retirement benefits are based upon age, average compensation, and years of service credit where average compensation is computed as the average of an individual's five highest years of earnings.

For employees enrolled in the System on or after July 1, 2011, vesting of benefits begins after eight years of creditable service. Normal retirement benefits are available to these employees who retire at or after age 65 with eight or more years of service or has 33 years of services, regardless of age. Early retirement is available after a member is vested and is within 20 years of normal retirement age; however, there is a 5% reduction of benefits for each year prior to the normal retirement age. Retirement benefits are based upon age, average compensation, and years-of-service credit where average compensation is computed as the average of an individual's eight highest years of earnings.

**MOORE HAVEN MOSQUITO CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014**

NOTE 8 RETIREMENT PLAN (CONTINUED)

Effective with the State fiscal year 2002, the State created a new retirement plan within the System: the Public Employee Optional Retirement Program (the FRS Investment Plan). Any regular member not in the Deferred Retirement Option Program (DROP) is eligible to participate in the FRS Investment Plan. Employer contributions are made to the FRS Investment Plan, which holds the contributions in individual investment accounts for each participating employee. The employee directs the investment funds available through the Plan. Investment accounts vest after one year of service and may be withdrawn by the employee 90 days after termination or retirement from a participating employer in the System. Alternately, the funds may remain in the investment account until the employee reaches normal retirement age or some earlier date, at the employee's choosing.

The District has no responsibility to the System other than to make the periodic contributions required by state statutes. The Florida Division of Retirement issues a publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing to Florida Division of Retirement, P.O. Box 9000, Tallahassee, FL 32315-9000.

Participating employer contributions are based upon statewide rates established by the State of Florida. These rates were applied to employee salaries as follows: regular employees, 6.95% and 5.18%; special risk employees, 19.06% and 14.90%, DROP employees, 12.84% and 5.44%; elected officials, 33.03% and 10.23%; and senior management, 18.31% and 6.30%, for the System's years ended June 30, 2014 and 2013, respectively. Effective July 1, 2013, the rates were changed as follows: regular employees, 7.37%; special risk employees, 19.82%, DROP employees, 12.28%; elected officials, 43.24%; and senior management, 21.14%. In addition, all employees (except for those in DROP) were required to make contributions of 3% on a pretax basis, deductible from their gross salaries for each payroll beginning in July 2011. The District's contributions made during the years ended September 30, 2014, 2013, and 2012 were \$2,039, \$1,614, and \$1,355, respectively, equal to the actuarially determined contribution requirements for each year.



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

Honorable Commissioners
Moore Haven Mosquito Control District
Moore Haven, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and general fund of the Moore Haven Mosquito 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 and have issued our report thereon dated April 28, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit, 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

Our consideration of internal control was for the limited purpose described in the preceeding paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and responses as 2011-001 and 2011-002 to be material weaknesses.

Honorable Commissioners
Moore Haven Mosquito Control District

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of 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 no instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

The District's Response to Findings

The District's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The District's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result 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.

The District's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. We did not audit the District's responses and, accordingly, we express no opinion on them.



CliftonLarsonAllen LLP

Fort Myers, Florida
April 28, 2015

SCHEDULE OF FINDINGS AND RESPONSES

2011-001 Annual Financial Reporting Under Generally Accepted Accounting Principles (GAAP)

Criteria

Management is responsible for establishing and maintaining internal controls and for the fair presentation of the financial statements including the related disclosures, in conformity with U.S. generally accepted accounting principles (GAAP).

Condition

The entity does not have an internal control policy in place over annual financial reporting that would enable management to prepare its annual financial statements and related footnote disclosures are complete and presented in accordance with GAAP.

Cause

The entity relies on the audit firm to prepare the annual financial statements and related footnote disclosures. However, they have reviewed and approved the annual financial statements and the related footnote disclosures.

Effect

The potential exists that a material misstatement of the annual financial statements could occur and not be prevented or detected by the entity's internal controls.

Recommendation

Management should continue to evaluate their internal staff capacity to determine if an internal control policy over the annual financial reporting is beneficial.

Views of Responsible Officials

The District staff has noted this recommendation; however, as a small District, it is not feasible to hire more staff. The District will continue to rely upon the audit firm to prepare the financial statements and related footnote disclosures and will review and approve these prior to the issuance of the annual financial statements.

2011-002 Material Audit Adjustments

Criteria

District management is responsible for establishing and maintaining internal controls for the proper recording of all the District's receipts and disbursements, including year-end accruals and activity of all cash accounts.

Condition

As part of the audit, we proposed audit adjustments to revise the District's financial statements at year-end. These adjustments involved the adjusting of inventory to actual balances at year-end, as well as fund balance adjustments and reclassifications.

Honorable Commissioners
Moore Haven Mosquito Control District

Cause

The District has a limited number of personnel and some accounts do not get reconciled properly due to time constraints.

Effect

The design of the controls over the financial reporting process affects the District's ability to report their financial data consistent with the assertions of management.

Recommendation

We understand that this material weakness is already known to management and represents a conscious decision by management and the Board to accept that degree of risk because of cost or other considerations. We acknowledge the fact that management is responsible for making decisions concerning costs and the related benefits. We are responsible to communicate significant deficiencies and material weaknesses in accordance with professional standards regardless of management's decisions to ensure that the Board is aware of this situation.

Views of Responsible Officials

Management has noted this recommendation; however, as small as the District is, it is not feasible to hire more staff.

MANAGEMENT LETTER

Honorable Commissioners
Moore Haven Mosquito Control District
Moore Haven, Florida

We have audited the financial statements of the Moore Haven Mosquito Control District (the "District") as of and for the fiscal year ended September 30, 2014, and have issued our report thereon dated April 28, 2015.

Auditors' Responsibility

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

Other Reports and Schedule

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on an examination conducted in accordance with AICPA Professional Standards, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated April 28, 2015, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. See Exhibit A for corrective action on findings or recommendations made in the preceding annual financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)5., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of 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.

Financial Condition

Section 10.554(1)(i)5.a., Rules of the Auditor General, requires that we report the results of our determination as to whether or not the District 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.

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), Rules of the Auditor General, we 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.

Annual Financial Report

Section 10.554(1)(i)5.b., Rules of the Auditor General, requires that we report the results of our determination as to 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.

Special District Component Units

Section 10.554(1)(i)5.d., Rules of the Auditor General, requires that we determine whether or not a special district that is a component unit of a county, municipality, or special district, provided the financial information necessary for proper reporting of the component unit, within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. The District does not have any special district component units.

Other Matters

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. In connection with our audit, we did not have any such recommendations.

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 occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

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



CliftonLarsonAllen LLP

Fort Myers, Florida
April 28, 2015

APPENDIX A – PRIOR YEAR FINDINGS AND RESPONSES

| | Current Year Status | | | Current Year Finding # | 2010-11 FY Finding # | 2007-08 FY Finding # |
|--|---------------------|-------------------|-------------|------------------------|----------------------|----------------------|
| | Cleared | Partially Cleared | Not Cleared | | | |
| IC 2011-01 Financial Reporting Process | | | X | 2011-001 | IC 2011-01 | IC 2008-01 |
| IC 2011-02 Material Audit Adjustments | | | X | 2011-002 | IC 2011-02 | IC 2008-02 |
| IC 2011-03 Segregation of Duties | X | | | N/A | IC 2011-03 | IC 04-01 |
| C 2011-01 Using the State Chart of Accounts | X | | | N/A | C 2011-01 | C 2008-03 |

INDEPENDENT ACCOUNTANTS' REPORT

Honorable Commissioners
Moore Haven Mosquito Control District
Moore Haven, Florida

We have examined the Moore Haven Mosquito Control District's (the "District") compliance with Section 218.415, Florida Statutes, regarding the investment of public funds, during the year ended September 30, 2014. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the 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 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 the District's compliance with specified requirements.

In our opinion, the 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 the District and the Florida Auditor General and is not intended to be, and should not be, used by anyone other than these specified parties.



CliftonLarsonAllen LLP

Fort Myers, Florida
April 28, 2015