

MOORE HAVEN MOSQUITO CONTROL DISTRICT
BASIC FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2017

**MOORE HAVEN MOSQUITO CONTROL DISTRICT
TABLE OF CONTENTS
YEAR ENDED SEPTEMBER 30, 2017**

INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	3
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	7
STATEMENT OF ACTIVITIES	8
FUND FINANCIAL STATEMENTS	
BALANCE SHEET – GENERAL FUND	9
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION	10
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – GENERAL FUND	11
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES	12
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND	13
NOTES TO FINANCIAL STATEMENTS	14
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)	
SCHEDULE OF CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY – FLORIDA RETIREMENT SYSTEM PENSION PLAN	32
SCHEDULE OF CITY CONTRIBUTIONS – FLORIDA RETIREMENT SYSTEM PENSION PLAN	33
SCHEDULE OF CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY – HEALTH INSURANCE SUBSIDY PENSION PLAN	34
SCHEDULE OF CITY CONTRIBUTIONS – HEALTH INSURANCE SUBSIDY PENSION PLAN	35

**MOORE HAVEN MOSQUITO CONTROL DISTRICT
TABLE OF CONTENTS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2017**

COMPLIANCE SECTION

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 <i>GOVERNMENT AUDITING STANDARDS</i>	36
SCHEDULE OF FINDINGS AND RESPONSES	38
MANAGEMENT LETTER	40
PRIOR YEAR FINDINGS AND RESPONSES	42
INDEPENDENT ACCOUNTANTS' REPORT	43
RESPONSE TO MANAGEMENT LETTER	44

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, 2017, 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.

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 the general fund of the District as of September 30, 2017, 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 May 31, 2018, 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 solely 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 effectiveness of the District's 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
May 31, 2018

**MOORE HAVEN MOSQUITO CONTROL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2017
(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, 2017. Please read it in conjunction with the District's financial statements, which follow this section.

Financial Highlights

For the fiscal year ended September 30, 2017, the assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources by \$145,573. This amount represents investment in capital assets of \$4,402 and unrestricted net position of \$141,171 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, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between them 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.

**MOORE HAVEN MOSQUITO CONTROL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2017
(UNAUDITED)**

Overview of the Financial Statements (Continued)

Governmental Fund Financial Statements. (Continued) 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 14.

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 and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$145,573 at the close of the most recent fiscal year as compared to the District's assets and deferred outflows of resources exceeding liabilities and deferred inflows of resources by \$100,607 at the close of fiscal year ended September 30, 2016.

The following is a condensed summary of net position for the District for fiscal years 2017 and 2016:

	2017	2016
Assets:		
Current and Other Assets	\$ 164,541	\$ 126,300
Capital Assets	4,402	6,106
Total Assets	168,943	132,406
Deferred Outflows of Resources	6,719	5,962
Liabilities:		
Current Liabilities	4,883	12,924
Noncurrent Liabilities	19,041	18,656
Total Liabilities	23,924	31,580
Deferred Inflows of Resources	6,165	6,182
Net Position:		
Invested in Capital Assets, Net of Related Debt	4,402	6,106
Unrestricted	141,171	94,501
Total Net Position	\$ 145,573	\$ 100,607

During the current fiscal year, the District's net position increased by \$44,966. Refer to Budgetary Highlights section for discussion regarding reasons for the increase in net position.

**MOORE HAVEN MOSQUITO CONTROL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2017
(UNAUDITED)**

Financial Analysis (Continued)

The following schedule reports the revenues, expenses, and changes in net position for the District for the fiscal years 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Revenues:		
General Revenues:		
Intergovernmental	\$ 51,540	41,540
Interest Income	5	2
Program Revenues:		
Charges for Services	<u>65,536</u>	<u>64,422</u>
Total Revenues	<u>117,081</u>	<u>105,964</u>
Expenses:		
Human Services – Mosquito Control:		
Personal Service	38,336	37,589
Operating	32,075	57,454
Depreciation	1,704	1,704
Total Expenses	<u>72,115</u>	<u>96,747</u>
Increase in Net Position	44,966	9,217
Net Position – Beginning	<u>100,607</u>	<u>91,390</u>
Net Position – Ending	<u>\$ 145,573</u>	<u>\$ 100,607</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 \$104,892 or 59.7% 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 2017, we had a longer winter season which resulted in a shorter spraying season and a lower amount of purchases of chemicals.

**MOORE HAVEN MOSQUITO CONTROL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2017
(UNAUDITED)**

Capital Assets

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

	<u>2017</u>	<u>2016</u>
Capital Assets:		
Buildings	\$ 15,984	\$ 15,984
Machinery and Equipment	37,615	37,615
Total Capital Assets Being Depreciated	<u>53,599</u>	<u>53,599</u>
Accumulated Depreciation:		
Buildings	15,984	15,984
Machinery and Equipment	33,213	31,509
Total Accumulated Depreciation	<u>49,197</u>	<u>47,493</u>
Capital Assets, Net	<u>\$ 4,402</u>	<u>\$ 6,106</u>

There were no capital asset purchases/projects that took place in fiscal year 2017.

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, 2017 and 2016, 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, 2017**

ASSETS

Cash	\$ 101,461
Certificates of Deposit	10,249
Accounts Receivable	12,760
Inventories	40,071
Capital Assets, Net	4,402
Total Assets	168,943

DEFERRED OUTFLOWS OF RESOURCES

Deferred Amount on Pensions	6,719
-----------------------------	-------

LIABILITIES

Accounts Payable and Accrued Liabilities	4,883
Noncurrent Liabilities:	
Net Pension Liability	19,041
Total Liabilities	23,924

DEFERRED INFLOWS OF RESOURCES

Deferred Amount on Pensions	6,165
-----------------------------	-------

NET POSITION

Invested in Capital Assets	4,402
Unrestricted	141,171
Total Net Position	\$ 145,573

See accompanying Notes to Financial Statements.

**MOORE HAVEN MOSQUITO CONTROL DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2017**

PROGRAM EXPENSES

Human Services – Mosquito Control:

Personal Service	\$ 38,336
Operating	32,075
Depreciation	<u>1,704</u>
Total Program Expenses	<u>72,115</u>

PROGRAM REVENUES

Charges for Services	<u>65,536</u>
----------------------	---------------

Net Program Expenses	6,579
----------------------	-------

GENERAL REVENUES

Intergovernmental	51,540
Interest Income	<u>5</u>
Total General Revenues	<u>51,545</u>

INCREASE IN NET POSITION

44,966

Net Position – Beginning

100,607

NET POSITION – ENDING

\$ 145,573

See accompanying Notes to Financial Statements.

**MOORE HAVEN MOSQUITO CONTROL DISTRICT
BALANCE SHEET – GENERAL FUND
SEPTEMBER 30, 2017**

ASSETS

Cash	\$	101,461
Certificates of Deposit		10,249
Accounts Receivable		12,760
Inventories		<u>40,071</u>
Total Assets	\$	<u><u>164,541</u></u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts Payable and Accrued Expenses	\$	<u>4,883</u>
Total Liabilities		4,883

FUND BALANCE

Nonspendable		40,071
Unassigned		<u>119,587</u>
Total Fund Balance		<u><u>159,658</u></u>
Total Liabilities and Fund Balance	\$	<u><u>164,541</u></u>

See accompanying Notes to Financial Statements.

**MOORE HAVEN MOSQUITO CONTROL DISTRICT
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
YEAR ENDED SEPTEMBER 30, 2017**

Fund Balance		\$ 159,658
<p>Amounts reported for Governmental Activities in the Statement of Net Position are different because:</p>		
<p>Capital assets used by governmental activities are not financial resources and are, therefore, not reported on the governmental fund balance sheet.</p>		4,402
<p>Deferred outflows of resources are reported as a result of changes in deferred amounts on pensions in the statement of net position.</p>		6,719
<p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the fund.</p>		
Net Pension Liability	\$ (19,041)	(19,041)
<p>Deferred inflows of resources are reported as a result of changes in deferred amounts on pensions in the statement of net position.</p>		(6,165)
Net Position		\$ 145,573

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, 2017**

REVENUES

Charges for Services	\$	65,536
Intergovernmental		51,540
Interest		<u>5</u>
Total Revenues		<u>117,081</u>

EXPENDITURES

Current:		
Human Services – Mosquito Control:		
Personal Services		38,725
Operating Expenditures		<u>32,075</u>
Total Expenditures		<u>70,800</u>

EXCESS REVENUES OVER EXPENDITURES

46,281

Fund Balance – Beginning

113,377

FUND BALANCE – ENDING

\$ 159,658

**MOORE HAVEN MOSQUITO CONTROL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2017**

Net Change in Fund Balance	\$	46,281
<p>Amounts reported for Governmental Activities in the Statement of Activities are different because:</p> <p>Governmental funds report capital outlay as expenditures; however, in the statement of activities, cost of those assets is depreciated over their estimated useful lives:</p>		
Expenditures for Capital Assets		-
Current Year Depreciation		(1,704)
<p>Net change in the liability for pensions is reported in the government-wide statements, but not in the governmental fund statements.</p>		
		389
Change in Net Position	\$	44,966

See accompanying Notes to Financial Statements.

**MOORE HAVEN MOSQUITO CONTROL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2017**

	Budget Amounts		Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for Services	\$ 63,000	\$ 63,000	\$ 65,536	\$ 2,536
Intergovernmental	32,468	32,468	51,540	19,072
Interest	10	10	5	(5)
Total Revenues	<u>95,478</u>	<u>95,478</u>	<u>117,081</u>	<u>21,603</u>
EXPENDITURES				
Current:				
Human Services:				
Personal Services	44,350	44,350	38,725	5,625
Operating Expenditures	89,109	89,109	32,075	57,034
Capital Outlay	27,500	27,500	-	27,500
Contingency	14,733	14,733	-	14,733
Total Expenditures	<u>175,692</u>	<u>175,692</u>	<u>70,800</u>	<u>104,892</u>
EXCESS REVENUES OVER (UNDER) EXPENDITURES				
	<u>\$ (80,214)</u>	<u>\$ (80,214)</u>	46,281	<u>\$ 126,495</u>
Fund Balance – Beginning			<u>113,377</u>	
FUND BALANCE – ENDING			<u>\$ 159,658</u>	

See accompanying Notes to Financial Statements.

**MOORE HAVEN MOSQUITO CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

NOTE 1 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 (GAAP) applicable to state and local governmental entities. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards, which along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units.

Financial Reporting Entity

Accounting principles generally accepted in the United States of America require that the reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The criteria provided in GASB Statement No. 14, The Financial Reporting Entity (as amended) have been considered in determining, 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 nonfiduciary 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, 2017**

NOTE 1 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. Nonexchange 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, 2017**

NOTE 1 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 uncollectible. Allowances are reported when accounts are deemed to be uncollectible. The District considers the ending accounts receivable balance at September 30, 2017 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 acquisition 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.

Buildings	15 Years
Vehicles and Equipment	5 Years

Pensions

In the government-wide and proprietary funds statements of net position, liabilities are recognized for the District's proportionate share of each pension plan's net pension liability. For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Florida Retirement System (FRS) defined benefit plan and the Health Insurance Subsidy (HIS) and additions to/deductions from FRS's and HIS's fiduciary net position have been determined on the same basis as they are reported by the FRS and HIS plans. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds of employee contributions are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**MOORE HAVEN MOSQUITO CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant Accounting Policies (Continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The deferred outflows of resources reported in the District's statement of net position represent changes in actuarial assumptions, the net difference between projected and actual earnings on Health Insurance Subsidy Program investments, changes in the proportion and differences between the District's contributions and proportionate share of contributions, and the District's contributions subsequent to the measurement date, relating to the Florida Retirement System Pension Plan and the Retiree Health Insurance Subsidy Program. These amounts will be recognized as increases in pension expense in future years.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The deferred inflows of resources reported in the District's statement of net position represent the difference between expected and actual economic experience, the net difference between projected and actual earnings on Florida Retirement System Pension investments, and changes in the proportion and differences between the District's contributions and proportionate share of contributions relating to the Florida Retirement System Pension Plan and the Retiree Health Insurance Subsidy Program. These amounts will be recognized as reductions in pension expense in future years.

Deferred inflows of resources also include amounts recognized as receivables but not revenues in governmental funds because the revenue recognition criterion (availability) has not been met.

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.

**MOORE HAVEN MOSQUITO CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant Accounting Policies (Continued)

Fund Balance (Continued)

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.

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.

**MOORE HAVEN MOSQUITO CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant Accounting Policies (Continued)

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.

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 reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

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.

NOTE 3 CASH

As of September 30, 2017, the District's cash was as follows:

Deposits with Financial Institutions	\$ 101,461
Certificates of Deposit	10,249
Total	<u><u>\$ 111,710</u></u>

**MOORE HAVEN MOSQUITO CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

NOTE 3 CASH (CONTINUED)

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, 2017:

	<u>Carrying Amount</u>
Chemicals	\$ 39,038
Briquettes	1,033
Total	<u>\$ 40,071</u>

**MOORE HAVEN MOSQUITO CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

NOTE 5 CAPITAL ASSETS

Capital assets' activity for the year ended September 30, 2017 is summarized as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets Being Depreciated:				
Buildings	\$ 15,984	\$ -	\$ -	\$ 15,984
Machinery and Equipment	37,615	-	-	37,615
Total Capital Assets Being Depreciated	53,599	-	-	53,599
Less Accumulated Depreciation for:				
Buildings	15,984	-	-	15,984
Machinery and Equipment	31,509	1,704	-	33,213
Total Accumulated Depreciation	47,493	1,704	-	49,197
 Total Capital Assets Being Depreciated, Net	 \$ 6,106	 \$ (1,704)	 \$ -	 \$ 4,402

Depreciation expense totaling \$1,704 was charged to the primary government for the year ended September 30, 2017.

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.

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, 2017, the District received \$64,942 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, 2017, total payments made or payable to business entities owned by members of management were \$845.

The District also employs a member related to one of the Board Commissioners. For the year ended September 30, 2017, total payments made to this employee were \$1,113.

**MOORE HAVEN MOSQUITO CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

NOTE 8 DEFINED BENEFIT PENSION PLANS

Background

The Florida Retirement System (FRS) was created by Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple-employer defined benefit pension plan, to assist retired members of any State-administered retirement system in paying the costs of health insurance.

Essentially all regular employees of the District are eligible to enroll as members of the State-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost sharing, multiple employer defined benefit plans and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' website (www.dms.myflorida.com).

The District's pension expense totaled \$1,014 for both the FRS Pension Plan and HIS Plan for the year ended September 30, 2017.

Florida Retirement System Pension Plan

Plan Description

The Florida Retirement System Pension Plan (FRS Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. The general classes of membership are as follows:

- *Regular Class* – Members of the FRS who do not qualify for membership in the other classes.
- *Elected District Officers Class* – Members who hold specified elective offices in local government.
- *Senior Management Service Class (SMSC)* – Members in senior management level positions.
- *Special Risk Class* – Members who are special risk employees, such as law enforcement officers, meet the criteria to qualify for this class.

**MOORE HAVEN MOSQUITO CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

NOTE 8 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Plan Description (Continued)

Employees enrolled in the FRS Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the FRS Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service. All members enrolled in the FRS Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service. Employees enrolled in the FRS Plan may include up to four years of credit for military service toward creditable service. The FRS Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The FRS Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the FRS Plan to defer receipt of monthly benefit payments while continuing employment with an FRS participating employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

Florida Retirement System Pension Plan

Benefits Provided

Benefits under the FRS Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the member's five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the member's eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits. The following chart shows the percentage value for each year of service credit earned:

<u>Class, Initial Enrollment, and Retirement Age/Years of Service:</u>	<u>% Value</u>
Regular Class Members Initially Enrolled Before July 1, 2011	
Retirement up to Age 62 or up to 30 Years of Service	1.60
Retirement at Age 63 or with 31 Years of Service	1.63
Retirement at Age 64 or with 32 Years of Service	1.65
Retirement at Age 65 or with 33 Years of Service	1.68

**MOORE HAVEN MOSQUITO CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

NOTE 8 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Benefits Provided (Continued)

<u>Class, Initial Enrollment, and Retirement Age/Years of Service (Continued):</u>	<u>% Value</u>
Regular Class Members Initially Enrolled on or After July 1, 2011	
Retirement up to Age 65 or up to 33 Years of Service	1.60
Retirement at Age 66 or with 34 Years of Service	1.63
Retirement at Age 67 or with 35 Years of Service	1.65
Retirement at Age 68 or with 36 Years of Service	1.68
 Elected City Officers	 3.00
 Senior Management Service Class	 2.00
 Special Risk Regular	
Service from December 1, 1970 through September 30, 1974	2.00
Service on and After October 1, 1974	3.00

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3% per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3% determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3%. FRS Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Contributions

The Florida Legislature establishes contribution rates for participating employers and employees. Effective July 1, 2011, all FRS Plan members (except those in DROP) are required to make 3% employee contributions on a pretax basis. The contribution rates attributable to the District, effective July 1, 2016, were applied to employee salaries as follows: regular employees 7.52%, District elected officials 42.47%, senior management 21.77%, DROP participants 12.99% and retirees initially reemployed on or after July 1, 2010, who are not eligible for retirement coverage 4.49%. The District's contributions to the FRS Plan were \$1,039 for the year ended September 30, 2017.

Pension Costs

At September 30, 2017, the District reported a liability of \$12,202 for its proportionate share of the FRS Plan's net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. The District's proportion of the net pension liability was based on the District's contributions received by FRS during the measurement period for employer payroll paid dates from July 1, 2016, through June 30, 2017, relative to the total employer contributions received from all of FRS's participating employers. At June 30, 2017, the District's proportion was 0.00004%, which was no change from its proportion measured as of June 30, 2016.

**MOORE HAVEN MOSQUITO CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

NOTE 8 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Pension Costs (Continued)

For the year ended September 30, 2017, the District recognized pension expense of \$930 for its proportionate share of FRS's pension expense. In addition, the District reported its proportionate share of FRS's deferred outflows of resources and deferred inflows of resources from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Economic Experience	\$ 1,120	\$ 68
Changes in Actuarial Assumptions	4,101	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	302
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	-	3,232
City Contributions Subsequent to the Measurement Date	<u>414</u>	<u>-</u>
Total	<u>\$ 5,635</u>	<u>\$ 3,602</u>

\$414 reported as deferred outflows of resources related to pensions resulting from District contributions to the FRS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2018. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense as follows:

<u>Year Ended September 30,</u>	<u>Amount</u>
2018	\$ (346)
2019	704
2020	412
2021	(126)
2022	690
Thereafter	285
Total	<u>\$ 1,619</u>

**MOORE HAVEN MOSQUITO CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

NOTE 8 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Actuarial Assumptions

The total pension liability in the July 1, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60% Per Year
Salary Increases	3.25% Average, Including Inflation
Investment Rate of Return	7.50%

Mortality rates were based on the Generational RP-2000 with Projection Scale BB. The actuarial assumptions used in the July 1, 2017, valuation were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013.

The long-term expected rate of return on pension plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. The target allocation, as outlined in the FRS Plan's investment policy, and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1.0 %	3.0 %	3.0 %	1.8 %
Fixed Income	18.0	4.5	4.4	4.2
Global Equity	53.0	7.8	6.6	17.0
Real Estate (Property)	10.0	6.6	5.9	12.8
Private Equity	6.0	11.5	7.8	30.0
Strategic Investments	12.0	6.1	5.6	9.7
Totals	<u>100.0 %</u>			
Assumed Inflation - Mean		2.6 %		1.9 %

Discount Rate

The discount rate used to measure the total pension liability was 7.10% for the FRS Plan. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, each of the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**MOORE HAVEN MOSQUITO CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

NOTE 8 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Pension Liability Sensitivity

The following presents the District's proportionate share of the net pension liability for the FRS Plan, calculated using the discount rate disclosed in the preceding paragraph, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

<u>Description</u>	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase in Discount Rate</u>
FRS Plan Discount Rate	6.10%	7.10%	8.10%
Authority's Proportionate Share of the FRS Plan Net Pension Liability	<u>\$ 22,086</u>	<u>\$ 12,201</u>	<u>\$ 400</u>

Pension Plan Fiduciary Net Position

Detailed information about the FRS Plan's fiduciary's net position is available in a separately-issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report. That report may be obtained through the Florida Department of Management Services website (www.dms.myflorida.com).

Retiree Health Insurance Subsidy Program

Plan Description

The Retiree Health Insurance Subsidy Program (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided

For the fiscal year ended June 30, 2017, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

**MOORE HAVEN MOSQUITO CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

NOTE 8 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Retiree Health Insurance Subsidy Program (Continued)

Contributions

The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2017, the contribution rate was 1.66% of payroll pursuant to section 112.363, Florida Statutes. The District contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled. The District's contributions to the HIS Plan were \$364 for the year ended September 30, 2017.

Pension Costs

At September 30, 2017, the District reported a liability of \$6,839 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. The District's proportion of the net pension liability was based on the District's contributions received during the measurement period for employer payroll paid dates from July 1, 2016, through June 30, 2017, relative to the total employer contributions received from all participating employers. At June 30, 2017, the District's proportion was 0.00006%, which was a decrease of 0.00001% from its proportion measured as of June 30, 2016.

For the year ended September 30, 2017, the District recognized pension expense of \$84 for its proportionate share of HIS's pension expense. In addition, the District reported its proportionate share of HIS's deferred outflows of resources and deferred inflows of resources from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Economic Experience	\$ -	\$ 14
Changes in Actuarial Assumptions	961	591
Net Difference Between Projected and Actual Earnings on HIS Program Investments	4	-
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	-	1,958
City Contributions Subsequent to the Measurement Date	119	-
Total	<u>\$ 1,084</u>	<u>\$ 2,563</u>

**MOORE HAVEN MOSQUITO CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

NOTE 8 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Retiree Health Insurance Subsidy Program (Continued)

Pension Costs (Continued)

\$119 reported as deferred outflows of resources related to pensions resulting from District contributions to the HIS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2018	\$ (322)
2019	(323)
2020	(323)
2021	(342)
2022	(144)
Thereafter	(144)
Total	<u>\$ (1,598)</u>

Actuarial Assumptions

The total pension liability in the July 1, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60% Per Year
Salary Increases	3.25% Average, Including Inflation
Municipal Bond Rate	3.58%

Mortality rates were based on the Generational RP-2000 with Projection Scale BB. The actuarial assumptions used in the July 1, 2017, valuation were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2014.

Discount Rate

The discount rate used to measure the total pension liability was 3.58% for the HIS Plan. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Pension Liability Sensitivity

The following presents the District's proportionate share of the net pension liability for the HIS Plan, calculated using the discount rate disclosed in the preceding paragraph, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

**MOORE HAVEN MOSQUITO CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

NOTE 8 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Retiree Health Insurance Subsidy Program (Continued)

Pension Liability Sensitivity (Continued)

<u>Description</u>	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
HIS Plan Discount Rate	2.58%	3.58%	4.58%
Authority's Proportionate Share of the HIS Plan Net Pension Liability	<u>\$ 7,805</u>	<u>\$ 6,839</u>	<u>\$ 6,035</u>

Pension Plan Fiduciary Net Position

Detailed information about the HIS Plan's fiduciary's net position is available in a separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report. That report may be obtained through the Florida Department of Management Services website (<http://www.dms.myflorida.com>).

NOTE 9 DEFINED CONTRIBUTION PLAN

The Florida State Board of Administration (SBA) administers the defined contribution plan officially titled the FRS Investment Plan (Investment Plan). The Investment Plan is reported in the SBA's annual financial statements and in the state of Florida Comprehensive Annual Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. District employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected District Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeited benefits of plan members.

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds.

**MOORE HAVEN MOSQUITO CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

NOTE 9 DEFINED CONTRIBUTION PLAN (CONTINUED)

Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the

five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2017, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the District.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

The District's Investment Plan pension expense totaled \$274 for the year ended September 30, 2017.

**MOORE HAVEN MOSQUITO CONTROL DISTRICT
SCHEDULE OF CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY –
FLORIDA RETIREMENT SYSTEM PENSION PLAN ¹
YEAR ENDED SEPTEMBER 30, 2017**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Moore Haven Mosquito Control District's Proportion of the Net Pension Liability (Asset)	0.000041253%	0.000043339%	0.000051634%	0.000069392%
Moore Haven Mosquito Control District's Proportionate Share of the Net Pension Liability (Asset)	<u>\$ 12,202</u>	<u>\$ 10,943</u>	<u>\$ 6,669</u>	<u>\$ 4,234</u>
Moore Haven Mosquito Control District's Covered Payroll	<u>\$ 17,090</u>	<u>\$ 18,030</u>	<u>\$ 24,336</u>	<u>\$ 27,414</u>
Moore Haven Mosquito Control District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	71.40%	60.69%	27.40%	15.44%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	93.99%	84.88%	92.00%	96.09%

* The amounts presented for each fiscal year were determined as of June 30.

¹ 2014 was the first year reporting net pension liability (GASB 68)

**MOORE HAVEN MOSQUITO CONTROL DISTRICT
SCHEDULE OF CITY CONTRIBUTIONS –
FLORIDA RETIREMENT SYSTEM PENSION PLAN ¹
YEAR ENDED SEPTEMBER 30, 2017**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 1,039	\$ 991	\$ 1,331	\$ 1,673
Contributions in Relation to the Contractually Required Contribution	<u>(1,039)</u>	<u>(991)</u>	<u>(1,331)</u>	<u>(1,673)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Moore Haven Mosquito Control District's Covered Payroll	<u>\$ 18,330</u>	<u>\$ 18,180</u>	<u>\$ 22,750</u>	<u>\$ 27,603</u>
Contributions as a Percentage of Covered Payroll	5.67%	5.45%	5.85%	6.06%

* The amounts presented for each fiscal year were determined as of September 30.

¹ 2014 was the first year reporting net pension liability (GASB 68)

**MOORE HAVEN MOSQUITO CONTROL DISTRICT
SCHEDULE OF CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY –
HEALTH INSURANCE SUBSIDY PENSION PLAN ¹
YEAR ENDED SEPTEMBER 30, 2017**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Moore Haven Mosquito Control District's Proportion of the Net Pension Liability (Asset)	0.000063965%	0.000066182%	0.000072662%	0.000097227%
Moore Haven Mosquito Control District's Proportionate Share of the Net Pension Liability (Asset)	<u>\$ 6,839</u>	<u>\$ 7,713</u>	<u>\$ 7,410</u>	<u>\$ 9,091</u>
Moore Haven Mosquito Control District's Covered Payroll	<u>\$ 20,390</u>	<u>\$ 20,430</u>	<u>\$ 26,736</u>	<u>\$ 29,814</u>
Moore Haven Mosquito Control District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	33.54%	37.75%	27.72%	30.49%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	1.64%	9.21%	9.74%	8.01%

* The amounts presented for each fiscal year were determined as of June 30.

¹ 2014 was the first year reporting net pension liability (GASB 68)

**MOORE HAVEN MOSQUITO CONTROL DISTRICT
SCHEDULE OF CITY CONTRIBUTIONS –
HEALTH INSURANCE SUBSIDY PENSION PLAN ¹
YEAR ENDED SEPTEMBER 30, 2017**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 364	\$ 342	\$ 339	\$ 364
Contributions in Relation to the Contractually Required Contribution	<u>(364)</u>	<u>(342)</u>	<u>(339)</u>	<u>(364)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Moore Haven Mosquito Control District's Covered Payroll	<u>\$ 21,930</u>	<u>\$ 20,580</u>	<u>\$ 25,100</u>	<u>\$ 30,003</u>
Contributions as a Percentage of Covered Payroll	1.66%	1.66%	1.35%	1.21%

* The amounts presented for each fiscal year were determined as of September 30.

¹ 2014 was the first year reporting net pension liability (GASB 68)

**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, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated May 31, 2018.

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 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.

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. 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as 2011-001 and 2011-002, which we consider 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.



CliftonLarsonAllen LLP

Fort Myers, Florida
May 31, 2018

**MOORE HAVEN MOSQUITO CONTROL DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED SEPTEMBER 30, 2017**

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.

**MOORE HAVEN MOSQUITO CONTROL DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED SEPTEMBER 30, 2017**

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, 2017, and have issued our report thereon dated May 31, 2018.

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 Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on 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*, AT-C 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated May 31, 2018, 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)4., 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 and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate 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 to identify 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.

Financial Condition and Management (Continued)

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the District. 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.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Annual Financial Report

Section 10.554(1)(i)5.b. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether the annual financial report for the District for the fiscal year ended September 30, 2017, 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, 2017. 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, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide 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.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate 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
May 31, 2018

**MOORE HAVEN MOSQUITO CONTROL DISTRICT
 PRIOR YEAR FINDINGS AND RESPONSES
 YEAR ENDED SEPTEMBER 30, 2017**

APPENDIX A – PRIOR YEAR FINDINGS AND RESPONSES

	Current Year Status			Current Year Finding #	2013-14 FY Finding #	2010-11 FY Finding #
	Cleared	Partially Cleared	Not Cleared			
IC 2011-01 Financial Reporting Process			X	2011-001	2011-001	IC 2011-01
IC 2011-02 Material Audit Adjustments			X	2011-002	2011-002	IC 2011-02

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, 2017. Management of the District is responsible for the District's compliance with the specified requirements. Our responsibility is to express an opinion on the District's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the District complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the District complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide 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 Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2017.

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



CliftonLarsonAllen LLP

Fort Myers, Florida
May 31, 2018

**MOORE HAVEN MOSQUITO
CONTROL DISTRICT
PO BOX 852
MOORE HAVEN FL 33471**

May 31, 2018

CliftonLarsonAllen LLP
12800 University Drive, Suite 210
Fort Myers, Florida 33907

We are in receipt of your management letter dated May 31, as it relates to your audit of the financial statements for the fiscal year ended September 30, 2017. We offer the following responses to those comments.

IC 2011-01

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

IC 2011-02

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

Sincerely,


Maxine Brantley
Administrative Assistant
