

UPPER CAPTIVA FIRE PROTECTION  
AND RESCUE SERVICE DISTRICT

September 30, 2021

FINANCIAL STATEMENTS,  
TOGETHER WITH REPORTS OF INDEPENDENT AUDITORS

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## **Independent Auditor's Report**

Honorable Board of Commissioners  
Upper Captiva Fire Protection and Rescue Service District  
North Captiva Island, Florida

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities of the Upper Captiva Fire Protection and Rescue Service District, (the "District") as of and for the fiscal year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

***Auditor's Responsibility (continued)***

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

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities of the District as of September 30, 2021, and the respective changes in financial position for the fiscal 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 and budgetary comparison information 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 assurance.

***Other Reporting Required by Government Auditing Standards***

In accordance with Government Auditing Standards, we have also issued our report dated June 17, 2022, 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 included under the heading INDEPENDENT AUDITOR'S 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 GOVERNMENTAL AUDITING STANDARDS. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.

*Ashley, Brown & Smith, CPAs*

Punta Gorda, Florida  
June 17, 2022

MANAGEMENT'S  
DISCUSSION AND ANALYSIS

# Upper Captiva Fire Protection and Rescue Service District

## MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis of the Upper Captiva Fire Protection and Rescue Service District (the "District") financial statements is designed to introduce the basic financial statements and provide an analytical overview of the District's financial activities for the fiscal year ended September 30, 2021. The basic financial statements are comprised of the government-wide financial statements, governmental fund financial statements, and notes. We hope this will assist readers in identifying significant financial issues and changes in the District's financial position.

### ***District Highlights***

- At the close of fiscal year 2021, the District's assets exceeded its liabilities, resulting in net position of \$1,194,207.
- The District's total net position increased \$72,504, or 6.46 percent, in comparison to prior year.
- The District had \$319,974 of unassigned fund balance that can be used to meet the District's ongoing obligations.
- Total revenues increased \$59,798, or 4.94 percent, in comparison to prior year.
- Total expenses increased \$29,108, or 2.49 percent, in comparison to prior year.

### ***Government-wide Financial Statements***

Government-wide financial statements (statement of net position and statement of activities found on pages 8 and 9 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 8) 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 9) 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).

### ***Fund Financial Statements***

The District accounts for its services in a *general governmental fund*. A fund is a grouping of related accounts that is being used to maintain control over resources that have been segregated for specific activities or objectives. Governmental funds are used to account for the sources, uses, and balances of a government's expendable general government financial resources (and the current liabilities). The main focus is on how money flows into and out of the general fund and the balances left at year-end that are available for spending.

Upper Captiva Fire Protection and Rescue Service District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Continued)

***Fund Financial Statements (continued)***

The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The *Fund Financial Statements* can be found on pages 10 and 12.

***Notes to the Financial Statements***

The *notes* to the financial statements explain in detail some of the data contained in the preceding statements and begin on page 14. These notes are essential to a full understanding of the data provided in the government-wide and fund financial statements.

***Government-Wide Financial Analysis***

The government-wide financial statements were designed so that the user could determine if the District is in a better or worse financial condition from the prior year.

The following is a condensed summary of net position for the primary government for fiscal years 2021 and 2020.

Upper Captiva Fire Protection and Rescue Service District Summary of Net Position September 30,		
	2021	2020
Assets:		
Current and Other Assets	\$ 684,121	\$ 645,891
Capital Assets	579,017	541,498
Total Assets	1,263,138	1,187,389
Liabilities:		
Current Liabilities	68,931	65,686
Total Liabilities	68,931	65,686
Net Position:		
Net Investment in capital assets	579,017	541,498
Restricted for purchase of capital assets	18,020	11,883
Unrestricted	597,170	568,322
Total Net Position	\$ 1,194,207	\$ 1,121,703

Investment in capital assets totaled \$579,017, which represents 48.49 percent of total net position and is comprised of land, building and improvements, and fire and rescue equipment, net of accumulated depreciation.

Upper Captiva Fire Protection and Rescue Service District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Continued)

The unrestricted net position balance of \$597,170 represents resources available to meet the District's ongoing obligations. The restricted net position balance of \$18,020 is comprised of impact fee funds received and restricted for the purchase of capital assets.

The following schedule reports the revenues, expenses, and changes in net position for the District for the 2021 and 2020 fiscal years:

	2021	2020
Revenues:		
General revenues		
Ad valorem taxes	\$ 743,891	\$ 727,983
Grants and contributions	37,326	50,072
Fire service special assessment	451,070	413,232
Impact fees	6,131	3,072
Miscellaneous		
Interest	2,855	5,660
Grant	26,000	4,020
Other	2,290	5,726
Total Revenues	1,269,563	1,209,765
Expenses:		
Public safety- fire and rescue services		
Personal services	809,526	793,435
Operating expenditures	315,100	310,929
Depreciation	72,433	63,587
Total Program Expenses	1,197,059	1,167,951
Increase in net position	72,504	41,814
Net Position - Beginning	1,121,703	1,079,889
Net Position - Ending	\$ 1,194,207	\$ 1,121,703

Total revenue increased \$59,798 or 4.94 percent in comparison to prior year primarily due to a misunderstanding in the prior year methodology used for allocating the special assessments. This resulted in certain properties being relieved of the fiscal year 2020 assessments by a mid-year resolution which reduced revenue to the District. During the fiscal year 2021 special assessment adoption process, the methodology for special assessment allocations was returned to past methods resulting in collection of all assessments and thereby higher revenues in the current year. The District also received additional ad valorem taxes due to new construction being added to the tax rolls in fiscal year 2021.

Upper Captiva Fire Protection and Rescue Service District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Continued)

Total expenses increased in comparison to the prior year by \$29,108 or 2.49 percent.

***Budgetary Highlights***

The District adopts an annual budget for the General Fund and the Special Assessment Fund as required by Florida Statute. The difference between the final budgeted expenditures and actual expenditures represents a positive variance of \$122,366 or 12.69% of budgeted expenditures for the General Fund. The difference between the final budgeted expenditures and actual expenditures represents a positive variance of \$10,516 or 2.61% of budgeted expenditures for the Special Assessment Fund.

***Capital Assets***

Non-depreciable capital assets include land, construction in progress, and assets not in service. Depreciable assets include fire and rescue equipment, building, fire and rescue vehicles, pagers and radios, furniture and fixtures, and equipment.

The following is a schedule of the District's capital assets:

Upper Captiva Fire Protection and Rescue Service District  
Capital Assets  
As of September 30,

<b>CAPITAL ASSETS</b>	2021	2020
Land	\$ 66,096	\$ 66,096
Total Capital Assets Not Being Depreciated	66,096	66,096
Buildings and improvements	515,834	515,834
Equipment and machinery	565,240	459,176
Total Capital Assets Being Depreciated	1,081,074	975,010
 <b>ACCUMULATED DEPRECIATION</b>		
Buildings and improvements	(285,010)	(269,355)
Equipment and machinery	(283,143)	(230,253)
Total Accumulated Depreciation	(568,153)	(499,608)
Total Capital Assets Being Depreciated, net	512,921	475,402
 <b>CAPITAL ASSETS, NET</b>	 \$ 579,017	 \$ 541,498

Upper Captiva Fire Protection and Rescue Service District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Continued)

***Economic Factors and Next Year's Budget Rates***

The following factors were considered when the 2021-2022 budget was prepared:

- Property values on Upper Captiva Island have increased along with the other housing markets in the Southwest Florida area. New construction added \$1,008,897 to tax rolls and market values of existing property increased by 4.79% over the prior tax year.
- The District adopted the millage rate of 3.5000 to be applied to an estimated tax roll of \$240,535,745 which is expected to generate \$812,409 in net ad valorem tax revenue.
- Pursuant to a referendum election held July 8, 2014, the District will continue levying a special assessment on island properties. The additional revenue is estimated to generate net revenue of \$447,400 in fiscal year 2022 which will continue to provide funds to augment firefighter personnel by two positions per shift. By increasing shift personnel, the District anticipates maintaining its favorable ISO rating.
- The District's elected officials and management desire to keep the ad valorem millage rate and non-ad valorem assessments to the minimum necessary to provide safe and efficient fire protection and emergency rescue services. The total District budget for fiscal year 2021-22 is \$2,002,619.

***Request for Information***

Questions regarding any information provided in this report should be directed to:

Upper Captiva Fire Protection and Rescue Service District  
Chief Jason M. Martin  
P.O. Box 322, Pineland, Florida 33945-0327  
Phone (239) 900-1818

**BASIC  
FINANCIAL STATEMENTS**

Upper Captiva Fire Protection and Rescue Service District  
STATEMENT OF NET POSITION  
September 30, 2021

**ASSETS**

Current assets:

Cash	\$ 655,600
Cash - restricted	14,955
Accounts Receivable	4,592
Due from other governments	8,912
Prepaid Expenses	<u>62</u>
 Total current assets	 <u>684,121</u>

Noncurrent assets:

Capital assets:

Land	66,096
Buildings and improvements	515,834
Furniture & fixtures	11,722
Fire and rescue equipment	553,518
Less: accumulated depreciation	<u>(568,153)</u>
 Total noncurrent assets (net)	 <u>579,017</u>
Total assets	<u>1,263,138</u>

**LIABILITIES**

Current liabilities:

Accounts payable	<u>68,931</u>
 Total liabilities	 <u>68,931</u>

**NET POSITION**

Invested in capital assets, net of related debt	579,017
Restricted for purchase of capital assets	18,020
Unrestricted	<u>597,170</u>
 Total Net Position	 <u><u>\$ 1,194,207</u></u>

The accompanying notes are an integral and essential part of these financial statements.

Upper Captiva Fire Protection and Rescue Service District  
 STATEMENT OF ACTIVITIES  
 Year Ended September 30, 2021

Function	Expenses	Program Revenues		Net Expenses & Changes in Net Position
		Contributions for specific purposes	Fire service special assessment	
Public safety	<u>\$ 1,197,059</u>	<u>\$ -</u>	<u>\$ 451,070</u>	<u>\$ (745,989)</u>
 <b>General Revenues:</b>				
				743,891
				6,131
				26,000
				2,855
				37,326
				<u>2,290</u>
				 818,493
				 <u>72,504</u>
				 1,121,703
				 <u>\$ 1,194,207</u>

The accompanying notes are an integral and essential part of these financial statements.

Upper Captiva Fire Protection and Rescue Service District  
BALANCE SHEET - GOVERNMENTAL FUNDS  
September 30, 2021

	Major		Non-major	Total
	General	Special Assessment	Impact Fee	
<b>ASSETS</b>				
Cash	\$ 655,600	\$ -	\$ -	\$ 655,600
Cash - restricted	-	-	14,955	14,955
Accounts Receivables	4,592	-	-	4,592
Due from other funds		72,767	-	72,767
Due from other governments	5,514	333	3,065	8,912
Prepaid Expenses	62	-	-	62
<b>Total Assets</b>	<b>\$ 665,768</b>	<b>\$ 73,100</b>	<b>\$ 18,020</b>	<b>\$ 756,888</b>
<b>LIABILITIES AND FUND BALANCE</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 45,395	\$ 1,894	\$ -	\$ 47,289
Accrued liabilities	19,622	2,024	-	21,646
Due to other funds	72,767	-	-	72,767
<b>Total Liabilities</b>	<b>137,784</b>	<b>3,918</b>	<b>-</b>	<b>141,702</b>
<b>FUND BALANCE</b>				
Spendable:				
Restricted	-	-	18,020	18,020
Committed	208,010	69,182	-	277,192
Unassigned	319,974	-	-	319,974
<b>Total Fund Balance</b>	<b>527,984</b>	<b>69,182</b>	<b>18,020</b>	<b>615,186</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 665,768</b>	<b>\$ 73,100</b>	<b>\$ 18,020</b>	<b>\$ 756,888</b>

The accompanying notes are an integral and essential part of these financial statements.

Upper Captiva Fire Protection and Rescue Service District  
RECONCILIATION OF THE BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
September 30, 2021

Fund Balance	\$ 615,186
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and are therefore not reported on the balance sheet.	<u>579,021</u>
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Net Position	<u><u>\$ 1,194,207</u></u>
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The accompanying notes are an integral and essential part of these financial statements.

Upper Captiva Fire Protection and Rescue Service District  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - GOVERNMENTAL FUNDS  
Year Ended September 30, 2021

	General	Major Special Assessment	Non-major Impact Fee	Total
<b>REVENUES</b>				
Ad valorem taxes	\$ 743,891	\$ -	\$ -	\$ 743,891
Impact fees	-	-	6,131	6,131
Fire Service Special Assessment	-	451,070	-	451,070
Grants	26,000	-	-	26,000
Miscellaneous				
Donations	37,326	-	-	37,326
Interest	2,849	-	6	2,855
Other miscellaneous	2,290	-	-	2,290
	<u>812,356</u>	<u>451,070</u>	<u>6,137</u>	<u>1,269,563</u>
Total Revenues				
<b>EXPENDITURES</b>				
Current				
Public safety				
Personal service	462,938	346,588	-	809,526
Operating expenditures	265,538	46,398	-	311,936
Capital outlay	113,116	-	-	113,116
	<u>841,592</u>	<u>392,986</u>	<u>-</u>	<u>1,234,578</u>
Total Expenditures				
Net change in fund balances	(29,236)	58,084	6,137	34,985
<b>FUND BALANCE, October 1, 2020</b>	<u>557,220</u>	<u>11,098</u>	<u>11,883</u>	<u>580,201</u>
<b>FUND BALANCE, September 30, 2021</b>	<u>\$ 527,984</u>	<u>\$ 69,182</u>	<u>\$ 18,020</u>	<u>\$ 615,186</u>

The accompanying notes are an integral and essential part of these financial statements.

Upper Captiva Fire Protection and Rescue Service District  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES  
Year Ended September 30, 2021

Net changes in fund balance	\$	34,985
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. In addition, gains and losses on the disposition of fixed assets are recorded on the statement of activities, however, they are not reported on the statement of revenues expenditures and changes in net position. These amounts are as follows:

Expenditures for capital assets	\$	113,116	
Loss on disposition of capital assets		(3,164)	
Less current year depreciation		<u>(72,433)</u>	37,519

Change in net position	\$	<u><u>72,504</u></u>
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The accompanying notes are an integral and essential part of these financial statements.

Upper Captiva Fire Protection and Rescue Service District  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization and nature of activities**

The Upper Captiva Fire Protection and Rescue Service District (the "District") is an independent special taxing district located on Upper Captiva Island, which is a barrier island off the coast of Southwest Florida not accessible by automobile. The District was originally established in 1990 by a Special Act of the Legislature of the State of Florida (Laws of Florida, Chapter 90-397) and recreated and reenacted by the Legislature of the State of Florida in 2004 (Laws of Florida, Chapter 2004-470).

The business and affairs of the District are governed by an elected Board of Commissioners, which consists of five members and operates under state statutes. The Commissioners serve on a staggered four-year term basis.

The District provides fire control and protection services and rescue services within the District's legal boundaries. In providing these services, the District operates and maintains one (1) station house and their related equipment and employs two (2) full-time professional firefighters as well as fifty (50) part-time firefighters.

**Summary of Significant Accounting Policies**

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

**Reporting Entity**

The Government Accounting Standards Board ("GASB") requires the financial statements of the District (the primary government) to include its component units, if any. A component unit is a legally separate organization for which the elected officials of the primary government are financially accountable. Based on the criteria established by GASB, there are no component units required to be included in the District's financial statements.

**Government-wide Financial Statements**

The government-wide financial statements consist of a statement of net position and a statement of activities that report information on all of the activities of the District as a whole. The purpose of the government-wide financial statements is to allow the user to be able to determine if the District is in a better or worse financial position than the prior year.

The 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.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as expenditures.

Upper Captiva Fire Protection and Rescue Service District  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Government-wide Financial Statements (Continued)**

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 and 2) grants and contributions that are restricted to capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

**Fund Financial Statements**

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

Fund financial statements 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.

**Governmental Funds**

Government 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. 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. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences and claims and judgments are recorded only when such liabilities have matured.

Ad valorem property taxes are recorded as revenues in the fiscal year in which the taxes are due and collected within 60 days of fiscal year-end. Investment earnings are recognized when earned. All other revenue items are recognized when they become measurable and available to finance expenditures of the fiscal period. Generally, revenues are considered available when they are collected within the current period or within 60 days after the end of the fiscal year.

**Fund Accounting**

The accounts of the District are organized and recorded in individual funds. The operations for each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenue, and expenditures, as appropriate. 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.

Upper Captiva Fire Protection and Rescue Service District  
 NOTES TO FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2021

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fund Accounting (Continued)**

The following fund types are used by the District:

**General Fund (major)**

The General fund is the general operating fund of the District. All financial resources, which are not required to be accounted for in another fund, are recorded in the General fund.

**Special Assessments Fund (major)**

This special revenues fund is used to account for special assessments that are legally restricted to expenditure for a particular purpose.

**Impact Fees Fund (non-major)**

This special revenues fund is used to account for impact fees that are legally restricted to expenditure for a particular purpose.

**Major Funds**

The District reports the general fund and the special assessments fund as major funds.

**Capital Assets**

Capital assets, which include property, plant, and equipment, are reported only in the government-wide financial statements. Capital assets are those acquired for general government purposes with an initial, individual cost equal to or more than \$1,000 and an estimated useful life of more than one year. Such assets are recorded at historical cost if purchased or constructed. Donated assets are recorded at their estimated fair value at the date of the donation. The estimated fair value is based on the most recent appraisal documentation available.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets of the District are depreciated using the straight-line method over the following estimated useful lives:

Asset	Years
Building	40
Fire and Rescue Vehicles	7-10
Fire and Rescue Equipment	10-20
Furniture and Fixtures	5-7
Pagers and Radios	5

Upper Captiva Fire Protection and Rescue Service District  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Budgets and Budgetary Accounting**

The following procedures are used by the District in establishing the budgetary data reflected in the financial statements:

1. During the summer of each year, the District Fire Chief submits to the Board of Commissioners a proposed operating budget for the fiscal year commencing on the upcoming first day of October. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayers' comments.
3. The budget is adopted by approval of the Board of Commissioners.
4. Budget transfers can be made throughout the year between expenditure accounts within a fund by approval of the Board of Commissioners.
5. Budget amounts, as shown in these financial statements, are as originally adopted and as finally amended by the Board of Commissioners.
6. The budget for the general fund is adopted on a basis consistent with accounting principles generally accepted in the United States. Budgeted appropriations lapse at year-end.
7. The legal level of control for appropriations is exercised at the fund level. There were no supplemental appropriations during the year ended September 30, 2021.
8. The District did not adopt a budget for the non-major fund, Impact Fees.

**Compensated Absences**

The District's two (2) full-time employees accumulate Paid Time Off (PTO) leave up to a maximum of fifteen (15) days. Accrual of more than fifteen (15) days is not permitted and must be used or forfeited. Upon termination of employment, an employee may receive payment of all accumulated PTO up to a maximum of fifteen (15) days. At September 30, 2021, neither employee had any accrued PTO. The accrued compensated absences balance at September 30, 2021 is zero.

**Impact Fees**

The District receives impact fees in accordance with an interlocal agreement with Lee County, Florida. Impact fees collected by Lee County are remitted on a quarterly basis to the District. The District, with prior Lee County approval, may expend amounts collected on qualifying capital expenditures. Funds received that are not expended within six years must be refunded. Because of the eligibility requirements imposed in the agreement, (1) prior approval before expenditure and (2) refund if not expended, the District records receipts of funds as restricted. As of September 30, 2021, \$18,020 of the District's Net Position was restricted for this purpose.

Upper Captiva Fire Protection and Rescue Service District  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fund Balance**

The District follows 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.

Non-Spendable 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 District's Board of Commissioners, the District's highest level of decision making authority. Commitments may be changed or lifted only by the Board of Commissioners taking the same formal action (resolution) that imposed the constraint originally (usually by resolution). Resources accumulated pursuant to stabilization arrangements sometimes are reported in this category.

Assigned Fund Balance - Includes spendable fund balance amounts established by management 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 assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

Unrestricted Fund Balance - The total of the committed fund balance, assigned fund balance, and unassigned fund balance.

The District's policy is to apply expenditures against restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance in that order under circumstances where a particular expenditure can be made from more than one fund classification.

Upper Captiva Fire Protection and Rescue Service District  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Minimum Fund Balance Policy**

Compliance with the provisions of this policy shall be reviewed after the annual audit. If prior committed or assigned fund balance causes the unassigned fund balance to fall below 17% of general fund operating expenditures, the District will take the necessary action to restore the unassigned fund balance to 17% of the General Fund operating expenditures within no more than two years.

**Use of Estimates**

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

**NOTE 2. CASH**

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 non-negotiable 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.

At September 30, 2021, the carrying amount of the District's deposits was \$670,555 and the bank balance was \$670,236.

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Upper Captiva Fire Protection and Rescue Service District  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021

**NOTE 3. PROPERTY TAXES**

Property taxes are levied on November 1 of each year, and are due and payable upon receipt of the notice of levy. The Lee County, Florida Tax Collector's Office bills and collects property taxes on behalf of the district. Property tax revenue is recognized in the fiscal year for which the taxes are levied.

Key dates in the property tax cycle (latest date, where appropriate) are as follows:

- July 1 - Assessment roll validated
- September 30 - Millage resolution approved and taxes levied following certification of assessment roll
- October 1 - Beginning of fiscal year for which tax is to be levied
- November 1 - Property taxes due and payable (levy date) with various discount provisions through March 1
- April 1 - Taxes become delinquent
- Prior to June 1 - Tax certificates sold by Lee County

The Board of Commissioners of the District levied ad valorem taxes at a millage rate of \$3.5000 per \$1,000 (3.5000 mills) on the January 1, 2020 taxable assessed value of real property located within the District.

**NOTE 4. RETIREMENT PLAN**

**Plan Description**

The District has two (2) full-time employees, the Chief and Assistant Chief. The Chief and Assistant Chief receive 10% of their Base Pay on a bi-weekly basis contributed to an Internal Revenue Service 457 retirement plan administered by the International City Managers Association Retirement Corporation (ICMA-RC).

**NOTE 5. RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and the natural disasters for which the District carries commercial insurance. The financial impact of the District's risk management activities are reported in the accompanying financial statements. For 2021, the District paid \$47,337 in premiums for policies to insure for these risks. No accrual has been provided for claims and incidents not reported to insurers. All known claims have been reported to the insurers. Claims made have not exceeded the insurance coverage for any of the past three fiscal years.

Upper Captiva Fire Protection and Rescue Service District  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021

**NOTE 6. CAPITAL ASSETS**

Capital asset activity for the year ended September 30, 2021 is as follows:

	Balance Oct. 1, 2020	Increases	Decreases	Balance Sept. 30, 2021
Capital assets not being depreciated:				
Land	\$ 66,096	\$ -	\$ -	\$ 66,096
Total capital assets not being depreciated	<u>66,096</u>	<u>-</u>	<u>-</u>	<u>66,096</u>
Capital assets being depreciated:				
Buildings and improvements	515,834	-	-	515,834
Furniture & fixtures	11,722	-	-	11,722
Fire and rescue equipment	447,454	113,116	(7,052)	553,518
Total capital assets being depreciated	<u>975,010</u>	<u>113,116</u>	<u>(7,052)</u>	<u>1,081,074</u>
Less accumulated depreciation for:				
Buildings and improvements	(269,355)	(15,655)	-	(285,010)
Furniture & fixtures	(3,802)	(1,131)	-	(4,933)
Fire and rescue equipment	(226,451)	(55,647)	3,888	(278,210)
Total accumulated depreciation	<u>(499,608)</u>	<u>(72,433)</u>	<u>3,888</u>	<u>(568,153)</u>
Total capital assets being depreciated, net	<u>475,402</u>	<u>40,683</u>	<u>(3,164)</u>	<u>512,921</u>
Total capital assets	<u>\$ 541,498</u>	<u>\$ 40,683</u>	<u>\$ (3,164)</u>	<u>\$ 579,017</u>

**NOTE 7. LINE OF CREDIT**

The District has a \$500,000 revolving line of credit agreement with Centennial Bank, which requires interest only payments at a variable rate of the qualified tax exempt rate per annum, which is equal to 79% of the index rate. The "Index" is the highest rate of interest designated by the Wall Street Journal, Money Rates Section, periodically as the "Prime Rate". The prime rate as of September 30, 2021 is 3.25%. The line of credit is unsecured and expires July 21, 2022. During the year, the District did not utilize the line of credit.

REQUIRED  
SUPPLEMENTARY  
INFORMATION

Upper Captiva Fire Protection and Rescue Service District  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - GENERAL FUND  
Year Ended September 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Ad Valorem taxes	\$ 737,573	\$ 737,573	\$ 743,891	\$ 6,318
Grants	-	-	26,000	26,000
Miscellaneous				
Interest	9,350	9,350	2,849	(6,501)
Contributions and donations	13,000	13,000	37,326	24,326
Miscellaneous	800	800	2,290	1,490
Total Revenues	<u>760,723</u>	<u>760,723</u>	<u>812,356</u>	<u>51,633</u>
<b>EXPENDITURES</b>				
Public Safety Current				
Current				
Personal service				
Salaries	352,821	352,821	381,210	(28,389)
Payroll taxes paid	26,991	26,991	29,458	(2,467)
Retirement contribution	14,507	14,507	14,398	109
Health insurance	24,000	24,000	24,400	(400)
Disability insurance	2,040	2,040	2,028	12
Workers' compensation	15,000	15,000	11,444	3,556
Operating expenditures				
Legal and professional services	31,000	31,000	29,156	1,844
Accounting and auditing	23,000	23,000	18,457	4,543
Contractual services	2,500	2,500	-	2,500
Commissions	22,092	22,092	16,946	5,146
Travel	5,200	5,200	1,562	3,638
Communications	8,300	8,300	5,639	2,661
Postage/freight	1,100	1,100	423	677
Utilities	11,900	11,900	9,619	2,281
Insurance	24,675	24,675	24,450	225
Repairs and maintenance	38,231	38,231	41,184	(2,953)
Access point maintenance	83,510	83,510	54,709	28,801
Printing and binding	360	360	333	27
Promotional Activities	2,624	2,624	4,585	(1,961)
Other current charges	5,415	5,415	3,181	2,234
Licenses and taxes	2,595	2,595	2,943	(348)
Office supplies	1,800	1,800	125	1,675

Upper Captiva Fire Protection and Rescue Service District  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - GENERAL FUND (CONTINUED)  
Year Ended September 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
Operating expenditures (Continued)				
Operating supplies				
Medical supplies	10,500	10,500	6,240	4,260
Uniforms	2,200	2,200	1,853	347
Fuel	1,700	1,700	216	1,484
Equipment <\$1,000	8,050	8,050	4,657	3,393
T-shirts for resale	1,100	1,100	373	727
Personal protective equipment	2,000	2,000	7,726	(5,726)
Other	10,000	10,000	9,389	611
Books, subscript and memberships	1,330	1,330	2,746	(1,416)
Training and education	2,524	2,524	4,026	(1,502)
Settlement Payment	-	-	15,000	(15,000)
Capital outlay				
Building Improvements	155,000	155,000	-	155,000
Machinery & equip: Firefight	-	-	83,116	(83,116)
Machinery & equip: Vehicle	-	-	30,000	(30,000)
Machinery & equip: Other	69,893	69,893	-	69,893
Total Appropriations/Expenditures	<u>963,958</u>	<u>963,958</u>	<u>841,592</u>	<u>122,366</u>
Net Change in Fund Balance	(203,235)	(203,235)	(29,236)	173,999
<b>FUND BALANCE, October 1, 2020</b>	<u>515,145</u>	<u>515,145</u>	<u>557,220</u>	<u>42,075</u>
<b>FUND BALANCE, September 30, 2021</b>	<u><u>\$ 311,910</u></u>	<u><u>\$ 311,910</u></u>	<u><u>\$ 527,984</u></u>	<u><u>\$ 216,074</u></u>

Upper Captiva Fire Protection and Rescue Service District  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - SPECIAL ASSESSMENT  
Year Ended September 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Permits, fees & special assessment	\$ 447,400	\$ 447,400	\$ 451,070	\$ 3,670
Total Revenues	447,400	447,400	451,070	3,670
<b>EXPENDITURES</b>				
Public Safety Current				
Current				
Personal service				
Salaries	308,026	308,026	311,458	(3,432)
Payroll taxes paid	23,564	23,564	23,687	(123)
Workers' compensation	15,000	15,000	11,443	3,557
Operating expenditures				
Legal and professional services	2,500	2,500	2,000	500
Accounting and auditing	23,000	23,000	18,460	4,540
Commissions	1,812	1,812	1,378	434
Rental and leases	11,400	11,400	11,400	-
Access point maintenance	-	-	-	-
Operating supplies				
Fuel	18,200	18,200	13,160	5,040
Total Appropriations/Expenditures	403,502	403,502	392,986	10,516
Net Change in Fund Balance	43,898	43,898	58,084	14,186
<b>FUND BALANCE, October 1, 2020</b>	6,995	6,995	11,098	4,103
<b>FUND BALANCE, September 30, 2021</b>	<u>\$ 50,893</u>	<u>\$ 50,893</u>	<u>\$ 69,182</u>	<u>\$ 18,289</u>

Upper Captiva Fire Protection and Rescue Service District  
NOTES TO BUDGETARY COMPARISON SCHEDULE  
Fiscal Year Ended September 30, 2021

**NOTE 1.**

State of Florida Statutes require that, for each fiscal year, a special district make appropriations which will not exceed the amount to be received from taxation and other available sources. The District annually adopts an operating budget for all major funds, the general fund and the special assessment fund. The procedures for establishing budgetary data are as follows:

- In July of each year, the Fire Chief submits a proposed operating budget to the Board for the next fiscal year commencing the following October 1 for Non-ad valorem special assessment. The proposed budget includes expenditures and the means of financing them.
  
- In September of each year, the General and Special Assessment Fund budgets are legally adopted by the Board.

Budgets are adopted on the modified accrual basis of accounting, consistent with accounting principles generally accepted in the United States. All appropriations lapse at fiscal year end unless encumbered or specifically designated to be carried forward to the subsequent year. Changes or amendments to the total budgeted expenditures of the District must be approved by the Board. Accordingly, the legal level of control is at the fund level.

**Independent Auditor's 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 Board of Commissioners  
Upper Captiva Fire Protection and Rescue Service District  
North Captiva Island, 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 of Upper Captiva Fire Protection and Rescue Service District, (the "District") as of and for the fiscal year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated June 17, 2022.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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.

### ***Internal Control Over Financial Reporting (continued)***

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the District's financial statements are free from 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 are required to be reported under *Government Auditing Standards*.

### ***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 results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Ashley, Brown & Smith, CPAs*

Punta Gorda, Florida

June 17, 2022

## Management Letter

Honorable Board of Commissioners  
Upper Captiva Fire Protection and Rescue Service District  
North Captiva Island, Florida

### Report on the Financial Statements

We have audited the financial statements of the Upper Captiva Fire Protection and Rescue Service District, (the "District") as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated June 17, 2022.

### Auditor's 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 Auditor's 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 Accountant's Report on the examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 17, 2022, 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. There were no recommendations made in the preceding 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 this management letter, unless disclosed in the notes to the financial statements. The District had no component units as of September 30, 2021.

## **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.

Pursuant to Sections 10.554(1)(i)5.b. 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 10.544(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.

## **Special District Component Units**

Section 10.554(1)(i)5.c., 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. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the District reported:

- a. The total number of district employees compensated in the last pay period of the district's fiscal year is 32.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year is 2.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency is \$692,669.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency is \$22,739.
- e. Each construction project with a total cost of at least \$65,000 approved by the District that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as: Storage building project - \$212,000

### **Special District Component Units (Continued)**

- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes, as zero. The District did not have a budget amendment in the fiscal year under audit.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7, Rules of the Auditor General, the District reported:

- a. The millage rate or rates imposed by the district is 3.5000.
- b. The total amount of ad valorem taxes collected by or on behalf of the district is \$743,891.
- c. The total amount of outstanding bonds issued by the district and the terms of such bonds is zero.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7, Rules of the Auditor General, the District reported:

- a. The rate of non-ad valorem special assessments imposed by the District is determined based on the mathematical assessment determination amount for the project of \$447,400. The assessment amount is fairly and reasonably apportioned based on the property's square footage and the building square footage (if property is improved) for each 698 parcels.
- b. The total amount of special assessments collected by or on behalf of the district is \$451,070.
- c. The total amount of outstanding bonds issued by the district and the terms of such bonds is zero.

### **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.

*Ashley, Brown & Smith, CPAs*

Punta Gorda, Florida  
June 17, 2022

## **Independent Accountant's Examination Report**

Honorable Board of Commissioners  
Upper Captiva Fire Protection and Rescue Service District  
North Captiva Island, Florida

We have examined the Upper Captiva Fire Protection and Rescue Service District's (the "District") compliance with the local government investment policy requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2021. Management is responsible for the District's compliance with the specified 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. 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 judgement, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence 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 the specified requirements.

In our opinion, the District complied, in all material respects, with the aforementioned requirements during the year ended September 30, 2021.

The purpose of this report is to comply with the audit requirements of Sections 218.415, Florida Statutes and Rules of the Auditor General.

*Ashley, Brown & Smith, CPAs*

Punta Gorda, Florida  
June 17, 2022