

**FORT MYERS BEACH MOSQUITO
CONTROL DISTRICT**

September 30, 2018

**BASIC FINANCIAL STATEMENTS,
TOGETHER WITH REPORTS OF INDEPENDENT AUDITORS**

TABLE OF CONTENTS

Report of the Independent Auditors	1 - 2
Management's Discussion and Analysis	3 - 6
Basic Financial Statements	
Statement of Net Position	7
Statement of Activities	8
Balance Sheet	9
Reconciliation of the Balance Sheet to the Statement of Net Position	10
Statement of Revenues, Expenses and Changes in Fund Balance	11
Reconciliation of the Statement of Revenues, Expenses and changes in Fund Balance to the Statement of Net Assets	12
Notes to Basic Financial Statements	13 - 28
Required Supplementary Information	
Statement of Revenues, Expenses and Changes in Fund Balance - Budget and Actual	29
Schedule of District Contributions - Pension Plan	30
Schedule of the District's Proportionate Share of the Net Pension Liability - Pension Plan	31
Schedule of District Contributions - HIS Plan	32
Schedule of the District's Proportionate Share of the Net Pension Liability - HIS Plan	33
Independent Auditors Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Basic Financial Statements Performed In Accordance with <i>Government Auditing Standards</i>	34 - 35
Management Letter	36 - 37
Independent Accountant's Examination Report	38

Independent Auditor's Report

Board of Commissioners
Fort Myers Beach Mosquito Control District
Fort Myers Beach, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities of the Fort Myers Beach Mosquito Control District, (the "District") as of and for the fiscal year ended September 30, 2018, 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.

Auditor's Responsibility, continued

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 opinion.

Opinion

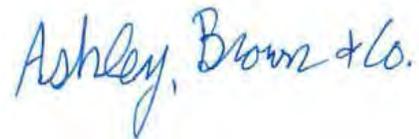
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities of the District as of September 30, 2018, and the respective changes in financial position for the fiscal year then ended in accordance with accounting 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, budgetary comparison information, and other required supplementary 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 24, 2019, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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.



Punta Gorda, Florida
June 24, 2019

**MANAGEMENT'S
DISCUSSION & ANALYSIS**

Fort Myers Beach Mosquito Control District Management's Discussion and Analysis September 30, 2018

Our discussion and analysis of the Fort Myers Beach Mosquito Control District's financial performance provides an overview of the District's financial activities for the fiscal year ended September 30, 2018.

FINANCIAL HIGHLIGHTS

- The net position of the District at the close of its most recent fiscal year was \$155,662.
- As of the close of the fiscal year 2018, the District reported ending fund balance of \$241,622, a increase of \$113,124 from the prior year. This amount is available for spending at the District's discretion.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's financial statements. This report also includes other supplementary information in addition to the financial statements themselves.

The Statement of Net Position (page 7) and The Statement of Activities (page 8) provide information about the activities of the District and present a longer-term view of the District's finances. The statements are measured and reported using the economic resource measurement focus and the full accrual basis of accounting.

The governmental financial statements begin on page 9. The governmental funds measure and report activities using the current financial resources measurement focus and the modified accrual basis of accounting. Therefore, you will find the reconciliation on pages 10 & 12 that convert this data to an economic resources measurement focus and the accrual basis of accounting for use in the financial statements. The Governmental Accounting Standards Board (GASB) Statement No. 34 provides the authoritative guidance on the governmental financial reporting model.

THE FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities

Government-wide financial statements are intended to allow the 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. For purposes of these statements, only governmental type activities are measured and reported using the economic resource measurement focus and the accrual basis of accounting.

The statement of net position presents information on all of the District's assets. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

**Fort Myers Beach Mosquito Control District
Management's Discussion and Analysis
September 30, 2018**

THE FINANCIAL STATEMENTS, CONTINUED

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain financial control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found beginning on page 13.

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 District for fiscal years 2018 and 2017.

Summary of Net Position
Fiscal Year Ended September 30,

	2018	2017
Assets		
Current and Other Assets	\$ 244,497	\$ 160,842
Capital Assets	41,559	50,523
Total Assets	286,056	211,365
Deferred Outflows of Resources	72,757	70,200
Total Assets and Deferred Outflows of Resources	358,813	281,565
Liabilities		
Current and Other Liabilities	2,875	353
Long-Term Liabilities	156,338	146,758
Total Liabilities	159,213	147,111
Deferred Inflows of Resources	43,938	43,945
Total Liabilities and Deferred Inflows of Resources	203,151	191,056
Net Position		
Invested in Capital Assets, Net of Related Debt	41,559	50,523
Unrestricted	114,103	39,986
Total Net Position	\$ 155,662	\$ 90,509

**Fort Myers Beach Mosquito Control District
Management's Discussion and Analysis
September 30, 2018**

Investment in capital assets totaled \$41,559, which represents 26.70 percent of total net position and is comprised of land, building and improvements, vehicles, seawalls, and furniture, fixtures and equipment, net of accumulated depreciation.

The following schedule reports the revenues, expenses, and changes in net position for the District for the 2018 and 2017 fiscal years:

District's Changes in Net Position
Fiscal Year Ended September 30,

	2018	2017
Revenues		
Ad Valorem taxes	\$ 374,124	\$ 338,832
Interest earnings	28	20
Total Revenues	374,152	338,852
Expenses		
Physical Environmental Services	309,157	299,365
Total Expenses	309,157	299,365
Increase in Net Position	64,995	39,487
Net Position – Beginning	90,667	51,180
Net Position – Ending	\$ 155,662	\$ 90,667

The District's Board of Commissioners approved a budget increasing the millage rate to \$0.1005, which is estimated to result in an increase of ad-valorem revenues of approximately \$35,292.

**Fort Myers Beach Mosquito Control District
Management's Discussion and Analysis
September 30, 2018**

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The following table provides a summary of net capital assets.

	2018	2017
Land	\$ 5,000	\$ 5,000
Buildings	42,572	42,572
Seawall	40,952	40,952
Motor Vehicles	67,405	83,755
Equipment	24,262	24,262
Total assets	180,191	196,541
Less: Accumulated depreciation	(138,632)	(146,018)
Total assets, net of depreciation	\$ 41,559	\$ 50,523

Debt

At September 30, 2018, the District's outstanding debt was comprised of accrued compensated absences in the amount of \$5,433, consistent with the prior year, and net pension liability in the amount of \$150,905.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND MILLAGE RATE

The Fort Myers Beach Mosquito Control District relies on ad valorem taxes as its primary source of revenue.

When preparing the District's budget for the 2018-2019 fiscal year, the Board of Commissioners adopted the millage rate of 0.0575 mills per \$1,000 which is a 42.79 percent decrease from the 2017-2018 millage rate of \$0.1005.

A gradual increase in property values has had an beneficial effect on the economic environment. The District continues to closely monitor expenses and the millage rate with respect to the changing environment.

Request for Information

The District's financial statements are designed to present users (citizens, customers, and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. If you have questions about this report or need additional information, contact the District's Director at 300 Lazy Way, Fort Myers Beach, Florida 33932-2837.

**BASIC
FINANCIAL STATEMENTS**

Fort Myers Beach Mosquito Control District
Statement of Net Position
September 30, 2018

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

Current assets:	
Cash and cash equivalents	\$ 238,480
Taxes receivable	2,871
Inventory of chemicals, at cost	<u>3,146</u>
Total current assets	<u>244,497</u>
Noncurrent assets:	
Capital assets:	
Land	5,000
Buildings and improvements	42,572
Seawall	40,952
Motor vehicles	67,405
Furniture, fixtures, and equipment	24,262
Less accumulated depreciation	<u>(138,632)</u>
Total noncurrent assets (net)	<u>41,559</u>
Total assets	<u>286,056</u>
Deferred outflows of resources	<u>72,757</u>
Total assets and deferred outflows of resources	<u>358,813</u>

LIABILITIES AND DEFERRED INFLOWS OF RESOURCES

Current liabilities:	
Accounts payable	<u>2,875</u>
Total current liabilities	<u>2,875</u>
Noncurrent liabilities:	
Net pension liability	150,905
Accrued compensated absences	5,433
Total noncurrent liabilities	<u>156,338</u>
Total liabilities	<u>159,213</u>
Deferred inflows of resources	<u>43,938</u>
Total liabilities and deferred inflows of resources	<u>203,151</u>

NET POSITION

Invested in capital assets	41,559
Unrestricted	114,103
Total net position	<u>\$ 155,662</u>

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

Fort Myers Beach Mosquito Control District
Statement of Activities
For the fiscal year ended September 30, 2018

Function	Expenses	Charges for Services	Net Expenses and Changes in Net Position
Physical environment services	\$ 309,157	\$ -	\$ (309,157)
	General Revenues:		
			374,124
			28
			374,152
			64,995
			90,667
			\$ 155,662

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

Fort Myers Beach Mosquito Control District
Balance Sheet
September 30, 2018

ASSETS

Cash and cash equivalents	\$ 238,480
Taxes receivable	2,871
Inventory of chemicals, at cost	<u>3,146</u>
Total assets	<u><u>\$ 244,497</u></u>

LIABILITIES & FUND BALANCE

Accounts payable	<u>\$ 2,875</u>
Total liabilities	<u>2,875</u>

FUND BALANCE

Unassigned	<u>241,622</u>
Total liabilities and fund balance	<u><u>\$ 244,497</u></u>

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

Fort Myers Beach Mosquito Control District
Reconciliation of the Balance Sheet to the Statement of Net Position
September 30, 2018

Fund Balance	\$	241,622
Deferred inflows and outflows related to pensions are reported on the Statement of Net Position, but do not require the use of current financial resources and are not reported on the fund financial statements.		28,819
Capital assets used in governmental activities are not financial resources and are therefore not reported on the balance sheet		41,559
Liabilities that are not due within the current period are not reflected as liabilities on the fund financial statements, however, the following liabilities are reflected on the statement of net position:		
Compensated absences		(5,433)
Net pension liability		<u>(150,905)</u>
Net Position	\$	<u><u>155,662</u></u>

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

Fort Myers Beach Mosquito Control District
Statement of Revenues, Expenditures and Changes in Fund Balance
For the fiscal year ended September 30, 2018

Revenues:	
Ad Valorem taxes	\$ 374,124
Gain on Sale of Vehicle	12,777
Proceeds from Insurance	3,113
Interest earnings	28
Total revenues	390,042
Expenditures:	
Current	
Physical environment services	
Personal services	178,823
Operating expenditures	130,086
Total expenditures	308,909
Excess of expenditures over (under) revenues	81,133
Net change in fund balance	81,133
Fund balance, October 1, 2017	160,489
Fund balance, September 30, 2018	\$ 241,622

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

**Fort Myers Beach Mosquito Control District
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balance to the Statement of Activities
For the fiscal year ended September 30, 2018**

Net change in fund balance \$ 81,133

The increase in pension expense is reported in the Statement of Activities, but does not require a use of current financial resources and is not reported as an expenditure in the fund financial statements. (6,391)

In the statement of activities, changes in compensated absences is measured by the amounts earned during the year. However, in the governmental funds, expenditures for these items are measured by the amount of financial resources used. This amount represents the decrease in the accrual of compensated absences. (783)

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:

Depreciation expense	(8,964)	
		(8,964)

Change in net position		\$ 64,995
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The accompanying notes are an integral and essential part of these financial statements.

Fort Myers Beach Mosquito Control District
Notes to the Financial Statements
September 30, 2018

1. Summary of Significant Accounting Policies:

The following is a summary of the more significant accounting policies of the District:

Defining the Governmental Reporting Entity:

The Fort Myers Beach Mosquito Control District (the "District") is an independent special district created by the Laws of Florida. The District was created by a referendum election on July 12, 1949, under Chapter 390, superseded by Chapter 388, to perform mosquito control and elimination on Fort Myers Beach, Florida. Codification was received on May 25, 2001 under Chapter 2001-335, House Bill 1041. The powers and duties of the District are set forth in Chapter 388, Florida Statutes.

The business and affairs of the District are governed by a board of three commissioners who are elected for terms of four years.

The District has adopted Governmental Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis - for State and Local Governments. Statement 34 establishes standards for external financial reporting for all state and local governmental entities. This statement 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 in GASB 14, there are no component units included in the District's financial statements.

Fund Accounting:

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, as appropriate. Government resources are allocated to, and accounted for in individual funds, based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The following fund is used by the District:

General Fund - The General Fund is the general operating fund of the District. All financial resources which are not specifically restricted or designated as to use are recorded in the General Fund. At present, the District utilizes only one fund.

Basic Financial Statements:

The basic financial statements include a Statement of Net Position, Statement of Activities, Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balance. The Statement of Net Position is presented as assets and deferred outflows less liabilities and deferred inflows equal net position and shown with three components: amounts invested in capital assets, net of related debt; restricted net position; and unrestricted net position. The Statement of Activities reports functional categories of programs by the District and demonstrates how and to what degree those programs are supported by specific revenue.

Fort Myers Beach Mosquito Control District
Notes to the Financial Statements
September 30, 2018

1. Summary of Significant Accounting Policies, continued

Measurement Focus:

Governmental Fund Type - The General Fund is accounted for on a “spending” or “financial flow” measurement focus. This means that only current assets and current liabilities are generally included on the balance sheet. Accordingly, the reported unassigned fund balance (net current assets) is considered a measure of available, spendable or appropriable resources. Governmental Fund Type operating statements present increases (revenue) and decreases (expenditures) in net current assets.

Basis of Accounting:

Basis of accounting refers to when revenue and expenditures are recognized in the accounts and reported in the basic financial statements. Basis of accounting related to the timing of the measurements made, regardless of the measurement focus applied.

The District complies with accounting principles generally accepted in the United States of America (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements.

Capital Assets:

Capital assets include property, plant, equipment and infrastructure assets. Infrastructure assets are defined as public domain fixed assets such as roads, bridges, curbs and gutters, streets and sidewalks, and similar assets that are immovable and of value only to the governmental unit. Capital assets are reported in the basic financial statements in the applicable governmental column. The threshold for capitalizing property, plant and equipment is \$1,000. Capital assets are recorded at cost, or estimated historical cost. Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets. The ranges of the useful lives are as follows:

Assets	Years
Buildings	40
Improvements, including seawalls	15 - 40
Equipment	5 - 20
Vehicles	7

Depreciation of fixed assets acquired through contributions is recorded as an expense transferred from retained earnings as a reduction of contributed capital. The cost of assets retired or sold, together with the related accumulated depreciation, is removed from the accounts and any gain or loss on disposition is credited or charged to earnings.

Fort Myers Beach Mosquito Control District
Notes to the Financial Statements
September 30, 2018

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 basic financial statements:

1. During the summer, the Director submits to the Board of Commissioners for their consideration a proposed operating budget for the fiscal year commencing on October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to October 1, the budget is adopted through a resolution by the Board of Commissioners. The budget is then approved by the Florida Department of Agriculture and Consumer Services, Bureau of Entomology and Pest Control (the "Department") by October 31.
4. Budget transfers and amendments can be made throughout the year by approval of the Board of Commissioners and the Department.
5. Budget amounts, as shown in the Required Supplementary Information, are as originally adopted, and as amended by the Board of Commissioners and approved by the Department.
6. The budget for the Governmental Fund Type is adopted on a cash basis, which is inconsistent with accounting principles generally accepted in the United States of America.
7. The level of control for appropriations is exercised at the activity level.

Encumbrances:

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

Inventories:

Inventory consists only of expendable chemicals which are to be used in operations are valued at the average cost method. The District utilizes the consumption method of accounting and no reserve has been made within the fund balances of the Governmental Fund Types.

Fort Myers Beach Mosquito Control District
Notes to the Financial Statements
September 30, 2018

1. Summary of Significant Accounting Policies, continued

Compensated Absences:

The District's employees accumulate annual leave based on the number of years of continuous service. Upon termination of employment, employees can receive payment for accumulated leave, if they meet certain criteria. The maximum number of hours that an employee can be compensated for is 200, with the excess hours available to be taken as paid leave. As of September 30, 2018, total accumulated absences was \$5,433.

Deferred Outflows/Inflows of Resources:

Deferred outflows of resources represent a consumption of net position that applies to a future period and therefore will not be recognized as expended until then. The District presents deferred outflows associated with pensions to be expensed over future periods. Deferred inflows of resources is defined as an acquisition of position by the government that is applicable to a future reporting period. The District presents deferred inflows of resources related to pensions.

2. Cash and Investments:

At September 30, 2018, the carrying amount of the District's deposits was \$238,480 and the bank balance was \$241,435. These deposits were entirely covered by Federal Depository Insurance or by collateral pursuant to the Florida Security for Public Deposits Act (Florida Statutes Chapter 280). Florida Statutes authorize investments in certificates of deposit, savings accounts, repurchase agreements, the Local Government Surplus Funds Trust Fund administered by the Florida State Board of Administration, obligations of the U.S. Government and government agencies unconditionally guaranteed by the U.S. Government. The District's investment policy permits the investment in savings accounts and certificates of deposit with state-certified, qualified public depositories.

3. Changes in General Fixed Assets:

A summary of changes in general fixed assets follows:

	Balance Oct. 1, 2017	Additions	Deletions	Balance Sept. 30, 2018
Land	\$ 5,000	\$ -	\$ -	\$ 5,000
Buildings and improvements	42,572	-	-	42,572
Seawall	40,952	-	-	40,952
Motor vehicles	83,755	-	(16,350)	67,405
Furniture, fixtures, & equipment	24,262	-	-	24,262
Total assets	196,541	-	(16,350)	180,191
Less: Accumulated depreciation	(146,018)	(8,964)	16,350	(138,632)
Capital assets, net	<u>\$ 50,523</u>	<u>\$ (8,964)</u>	<u>\$ -</u>	<u>\$ 41,559</u>

Fort Myers Beach Mosquito Control District
Notes to the Financial Statements
September 30, 2018

4. 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. The tax rate levied upon all of the taxable property within the District for mosquito control for the fiscal year ended September 30, 2018 was \$0.1005 per \$1,000 of assessed taxable property value. Property tax revenue is recognized currently in the fiscal year for which the taxes are levied. On April 1 of each year, unpaid taxes become a lien on the property. The past due tax certificates are sold at public auction prior to June 1, and the proceeds thus collected are remitted to the District.

5. Changes in General Long-Term Debt:

The following is a summary of changes in the District's general long-term debt for the year ended September 30, 2018:

	Balance Oct. 1, 2017	Additions	Reductions	Balance Sept. 30, 2018
Compensated Absences	\$ 4,650	\$ 5,543	\$ (4,760)	\$ 5,433
Net Pension Liability- Pension Plan	110,785	28,321	(21,810)	117,296
Net Pension Liability- HIS Plan	31,323	6,706	(4,420)	33,609
Total Long Term Liabilities	<u>\$ 146,758</u>	<u>\$ 40,570</u>	<u>\$ (30,990)</u>	<u>\$ 156,338</u>

6. Implementation of GASB Statement No. 75

The Governmental Accounting Standards Board has issued Statement No. 75, "Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions (OPEB)." This Statement changes the manner in which a governmental entity funds and records its post-retirement benefit costs other than pensions.

The District provides insurance (medical, dental and vision) benefits to its current full-time ALA accredited employees and offers all vested (vested is defined by the District's retirement plan) former employees the option of receiving these same benefits provided they pay 100% of the premium. Therefore, the District's only OPEB liability is for the implicit rate subsidy offered to the retiree. An implicit rate subsidy is the difference between a premium rate charged to retirees for a particular benefit and the estimated rate that would be applicable to those retirees if that benefit was acquired for them as a separate group. As of September 30, 2018, there were no retirees receiving these benefits and only three active participants in the insurance benefit plan.

The District has decided to finance these benefits on a pay-as-you-go basis and recognize expenses in the year the premium is due. The District believes the implicit OPEB liability is immaterial, as such; there is no actuarially determined net OPEB obligation at September 30, 2018.

Fort Myers Beach Mosquito Control District
Notes to the Financial Statements
September 30, 2018

7. Commitments and Contingencies:

The Board purchases liability and casualty insurance coverage from commercial carriers with coverages and deductibles in amounts that the Board feels is adequate.

8. Retirement Plan:

Florida Retirement System:

General Information - All of the employees of the primary government participate in the Florida Retirement System (FRS). As provided by Chapters 121 and 112, Florida Statutes, the FRS provides two cost sharing, multiple employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, including the FRS Pension Plan (“Pension Plan”) and the Retiree Health Insurance Subsidy (“HIS Plan”). Under Section 121.4501, Florida Statutes, the FRS also provides a defined contribution plan (“Investment Plan”) alternative to the FRS Pension Plan, which is administered by the State Board of Administration (“SBA”). As a general rule, membership in the FRS is compulsory for all employees working in a regularly established position for a state agency, District government, district school board, state university, community college, or a participating city or special district within the State of Florida. The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 121, Florida Statutes, and Chapter 60S, Florida Administrative Code. Amendments to the law can be made only by an act of the Florida State Legislature.

The State of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000, or from the Web site:

www.dms.myflorida.com/workforce_operations/retirement/publications.

Plan Description – The Pension Plan is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (“DROP”) for eligible employees.

Pension Plan

Benefits Provided – Benefits under the Pension Plan are computed on the basis of age, average final compensation, and service credit. For Pension Plan members enrolled before July 1, 2011, Regular class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Vested members with less than 30 years of service may retire before age 62 and receive reduced retirement benefits. Special Risk Administrative Support class members who retire at or after age 55 with at least six years of credited service or 25 years of service regardless of age are entitled to a retirement benefit payable monthly

Fort Myers Beach Mosquito Control District
Notes to the Financial Statements
September 30, 2018

8. Retirement Plan:

Pension Plan, continued

for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Special Risk class members (sworn law enforcement officers, firefighters, and correctional officers) who retire at or after age 55 with at least six years of credited service, or with 25 years of service regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 3.0% of their final average compensation based on the five highest years of salary for each year of credited service. Senior Management Service class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 2.0% of their final average compensation based on the five highest years of salary for each year of credited service. Elected Officers' class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 3.0% (3.33% for judges and justices) of their final average compensation based on the five highest years of salary for each year of credited service.

For Plan members enrolled on or after July 1, 2011, the vesting requirement is extended to eight years of credited service for all these members and increasing normal retirement to age 65 or 33 years of service regardless of age for Regular, Senior Management Service, and Elected Officers' class members, and to age 60 or 30 years of service regardless of age for Special Risk and Special Risk Administrative Support class members. Also, the final average compensation for all these members will be based on the eight highest years of salary.

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the Pension Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is three percent 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 three percent determined by dividing the sum of the pre July 2011 service credit by the total service credit at retirement multiplied by three percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

In addition to the above benefits, the DROP program allows eligible members to defer receipt of monthly retirement benefit payments while continuing employment with a FRS employer for a period not to exceed 60 months after electing to participate. Deferred monthly benefits are held in the FRS Trust Fund and accrue interest. There are no required contributions by DROP participants.

Contributions – Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute three percent of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employer contribution rates by job class for the periods from October 1, 2017 through June 30, 2018 and from July 1, 2018 through September 30, 2018, respectively, were as follows: Regular--7.92% and 8.26%; Special Risk Administrative--34.63% and 34.98%;

Fort Myers Beach Mosquito Control District
Notes to the Financial Statements
September 30, 2018

8. Retirement Plan, continued

Pension Plan, continued

Special Risk--23.27% and 24.50%; Senior Management Service--22.71% and 24.06%; Elected Officers--45.50% and 48.70%; and DROP participants--13.26% and 14.03%. These employer contribution rates include the 1.66% HIS Plan subsidy for the periods October 1, 2017 through June 30, 2018 and from July 1, 2018 through September 30, 2018. Other than DROP participants, these employer contribution rates include .06% and .06% administrative fee for the periods October 1, 2017 through June 30, 2018 and from July 1, 2018 through September 30, 2018, respectively.

The District's contributions to the Pension Plan totaled \$10,379 for the fiscal year ended September 30, 2018, excluding HIS plan contributions.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2018, the District reported a liability of \$117,296 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The District's proportionate share of the net pension liability was based on the District's 2017-18 fiscal year contributions relative to the 2016-17 fiscal year contributions of all participating members. At June 30, 2018, the District's proportionate share was .000389%, which was an INcrease of 0.000015% from its proportionate share measured as of June 30, 2017.

For the fiscal year ended September 30, 2018, the District recognized pension expense of \$10,456. In addition the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 9,937	\$ (361)
Change of assumptions	38,327	
Net difference between projected and actual earnings on Pension Plan investments		(9,063)
Changes in proportion and differences between District Pension Plan contributions and proportionate share of contributions	13,669	(21,666)
District Pension Plan contributions subsequent to the measurement date	2,977	
Total	<u>\$ 64,910</u>	<u>\$ (31,090)</u>

Fort Myers Beach Mosquito Control District
Notes to the Financial Statements
September 30, 2018

8. Retirement Plan, continued

Pension Plan, continued

The deferred outflows of resources related to the Pension Plan, totaling \$2,977 resulting from District contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30:	Amount
2018	\$ 16,745
2019	9,656
2019	(2,345)
2020	2,654
2021	3,288
Thereafter	845

Actuarial Assumptions – The total pension liability in the July 1, 2018 actuarial valuation was determined using the following actuarial assumption, applied to all periods included in the measurement:

Inflation	2.60%	
Salary increases	3.25%, average, including inflation	
Investment rate of return	7.00%, net of pension plan investment expense, including inflation	

Mortality rates were based on the Generational RP-2000 with Projection Scale BB tables, updated to better anticipate expected future experience for those members while in FRS covered employment.

The actuarial assumptions used in the July 1, 2018, valuation were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

Fort Myers Beach Mosquito Control District
Notes to the Financial Statements
September 30, 2018

8. Retirement Plan, continued

Pension Plan, continued

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 and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.9%	2.9%	1.8%
Fixed income	18.0%	4.4%	4.3%	4.0%
Global equity	54.0%	7.6%	6.3%	17.0%
Real estate (property)	11.0%	6.6%	6.0%	11.3%
Private equity	10.0%	10.7%	7.8%	26.5%
Strategic investments	6.0%	6.0%	5.7%	8.6%
Total	<u>100.0%</u>			
Assumed Inflation - Mean			2.6%	1.9%

(1) As outlined in the Pension Plan's investment policy

Discount Rate - The discount rate used to measure the total pension liability was 7.00%. 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 discount rate for calculation of the total pension liability is equal to the long-term expected rate of return.

Fort Myers Beach Mosquito Control District
Notes to the Financial Statements
September 30, 2018

8. Retirement Plan, continued

Pension Plan, continued

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following represents the District's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability/(asset)	\$ 214,070	\$ 117,296	\$ 36,919

Pension Plan Fiduciary Net Position - Detailed information regarding the Pension Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report.

Payables to the Pension Plan - At September 30, 2018, the District reported no amounts payable for outstanding contributions to the Pension Plan.

HIS Plan

Plan Description – The 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 September 30, 2018, 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. To be eligible to receive these benefits, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

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 September 30, 2018, the HIS contribution for the period October 1, 2017 through September 30, 2018 was 1.66%. 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

Fort Myers Beach Mosquito Control District
Notes to the Financial Statements
September 30, 2018

8. Retirement Plan, continued

HIS Plan, continued

appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

The District's contributions to the HIS Plan totaled \$1,733 for the fiscal year ended September 30, 2018.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2018, the District reported a liability of \$33,609 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The District's proportionate share of the net pension liability was based on the District's 2017-18 fiscal year contributions relative to the 2016-17 fiscal year contributions of all participating members. At June 30, 2018, the District's proportionate share was .000318%, which was an increase of 0.000025% from its proportionate share measured as of June 30, 2017.

For the fiscal year ended September 30, 2018, the District recognized HIS expense of \$1,300. In addition the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 515	\$ (57)
Change of assumptions	3,738	(3,553)
Net difference between projected and actual earnings on HIS Plan investments	20	-
Changes in proportion and differences between District HIS Plan contributions and proportionate share of contributions	3,141	(9,238)
District HIS Plan contributions subsequent to the measurement date	433	-
Total	<u>\$ 7,332</u>	<u>\$ (12,791)</u>

Fort Myers Beach Mosquito Control District
Notes to the Financial Statements
September 30, 2018

8. Retirement Plan, continued

HIS Plan, continued

The deferred outflows of resources related to the HIS Plan, totaling \$433 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 fiscal year ended September 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30:	Amount
2018	\$ (726)
2019	(727)
2019	(857)
2020	(1,144)
2021	(1,837)
Thereafter	(143)

Actuarial Assumptions – The total pension liability in the July 1, 2018 actuarial valuation was determined using the following actuarial assumption, applied to all periods included in the measurement:

Inflation	2.60%
Salary increases	3.25%, average, including inflation
Municipal bond rate	3.87%

Mortality rates were based on the Generational RP-2000 with Projection Scale BB tables, updated to better anticipate expected future experience for those members while in FRS covered employment.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

Discount Rate - The discount rate used to measure the total pension liability was 3.87%. 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.

Fort Myers Beach Mosquito Control District
Notes to the Financial Statements
September 30, 2018

8. Retirement Plan, continued

HIS Plan, continued

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following represents the District's proportionate share of the net pension liability calculated using the discount rate of 3.87%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (2.87%) or one percentage point higher (4.87%) than the current rate:

	1% Decrease (2.87%)	Discount Rate (3.87%)	1% Increase (4.87%)
District's proportionate share of the net pension liability	\$ 38,279	\$ 33,609	\$ 29,717

HIS Plan Fiduciary Net Position - Detailed information regarding the HIS Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report.

Payables to the HIS Plan - At September 30, 2018, the District reported no amounts payable for outstanding contributions to the HIS Plan.

Investment Plan

The SBA administers the defined contribution plan officially titled the FRS 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. Board 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 Pension 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 the Investment 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. Allocations to the investment investment member's accounts during the 2017-18 fiscal year, as established by Section 121.72, Florida Statutes, are based on a percentage of gross compensation, by class, as follows:

Fort Myers Beach Mosquito Control District
Notes to the Financial Statements
September 30, 2018

8. Retirement Plan, continued

Investment Plan, continued

Regular class--6.30%, Special Risk Administrative Support class--7.95%, Special Risk class--14.00%, Senior Management Service class--7.67% and District Elected Officers class--11.34%.

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 Pension Plan is transferred to the Investment Plan, the member must have the years of service required for Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. 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 September 30, 2018, 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 Board.

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 Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

The District's Investment Plan pension contribution totaled \$1,851 for the fiscal year ended September 30, 2018, excluding HIS.

**REQUIRED SUPPLEMENTAL
INFORMATION**

Fort Myers Beach Mosquito Control District
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the fiscal year ended September 30, 2018

	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Ad Valorem taxes	\$ 369,778	\$ 369,778	\$ 374,124	\$ 4,346
Gain on Sale of Vehicle	-	-	12,777	12,777
Proceeds from Insurance	-	-	3,113	3,113
Interest	15,500	15,500	28	(15,472)
Total revenues	<u>385,278</u>	<u>385,278</u>	<u>390,042</u>	<u>4,764</u>
Expenditures:				
Current				
Physical environment services				
Personal services				
Salaries and wages	104,370	104,371	104,371	-
Payroll taxes and benefits	90,000	89,999	74,452	15,547
Operating expenditures				
Operating	120,000	120,000	83,268	36,732
Travel and per diem	8,000	8,000	4,025	3,975
Communication Service	2,500	2,500	1,183	1,317
Freight services	1,500	1,500	-	1,500
Utility Service	3,000	3,000	2,637	363
Rental and leases	1,500	1,500	-	1,500
Insurance	30,000	30,000	19,384	10,616
Repairs and maintenance	100,000	100,000	2,308	97,692
Printing and binding	2,500	2,500	528	1,972
Promotional activities	1,500	1,500	63	1,437
Other charges	5,000	5,000	4,024	976
Office supplies	5,000	5,000	891	4,109
Gasoline, oil and lube	2,500	2,500	938	1,562
Chemicals	10,000	10,000	5,394	4,606
Legal Services	-	-	2,875	(2,875)
Protective clothing	1,500	1,500	-	1,500
Misc. supplies	1,500	1,500	-	1,500
Tools and implements	1,500	1,500	-	1,500
Publications and dues	5,000	5,000	1,978	3,022
Training	8,000	8,000	590	7,410
Capital outlay	35,000	35,000	-	35,000
Total expenditures	<u>539,870</u>	<u>539,870</u>	<u>308,909</u>	<u>230,961</u>
Excess of expenditures over revenues	(154,592)	(154,592)	81,133	235,725
Fund balance, Oct. 1, 2017	154,592	154,592	160,489	5,897
Fund balance, Sept. 30, 2018	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 241,622</u>	<u>\$ 241,622</u>

**Fort Myers Beach Mosquito Control District
Schedule of District Contributions - Pension Plan
For the Fiscal Year Ended September 30, 2018
Last Five Fiscal Years**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 10,379	\$ 8,983	\$ 12,372	\$ 14,566	\$ 12,707
Contributions in relation to contractually require contribution	<u>(10,379)</u>	<u>(8,983)</u>	<u>(12,372)</u>	<u>(14,566)</u>	<u>(12,707)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 77,848	\$ 66,067	\$ 109,633	\$ 123,552	\$ 119,853
Contributions as a percentage of covered-employee payroll	13.33%	13.60%	11.28%	11.79%	10.60%

Note: Data was unavailable prior to 2014.

Fort Myers Beach Mosquito Control District
Schedule of the District's Proportionate Share of the Net Pension Liability
Pension Plan
For the Fiscal Year Ended September 30, 2018
Last Five Fiscal Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability	0.000389%	0.000375%	0.000550%	0.000590%	0.000464%
District's proportionate share of the net pension liability	\$ 117,296	\$ 110,823	\$ 138,886	\$ 76,166	\$ 28,334
District's covered-employee payroll	\$ 77,386	\$ 67,814	\$ 122,122	\$ 123,552	\$ 119,853
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	151.57%	163.42%	113.73%	61.65%	23.64%
Plan fiduciary net position as a percentage of the total pension liability	84.26%	83.89%	84.88%	92.00%	96.09%

Note: Data was unavailable prior to 2014.

**Fort Myers Beach Mosquito Control District
Schedule of District Contributions - HIS Plan
For the Fiscal Year Ended September 30, 2018
Last Five Fiscal Years**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 1,733	\$ 1,524	\$ 2,062	\$ 1,710	\$ 1,516
Contributions in relation to contractually require contribution	<u>(1,733)</u>	<u>(1,524)</u>	<u>(2,062)</u>	<u>(1,710)</u>	<u>(1,516)</u>
Contribution deficiency (excess)	<u>\$ -</u>				
District's covered-employee payroll	\$ 104,371	\$ 91,819	\$ 124,215	\$ 126,695	\$ 120,367
Contributions as a percentage of covered-employee payroll	1.66%	1.66%	1.66%	1.35%	1.26%

Note: Data was unavailable prior to 2014.

Fort Myers Beach Mosquito Control District
Schedule of the District's Proportionate Share of the Net Pension Liability
HIS Plan
For the Fiscal Year Ended September 30, 2018
Last Five Fiscal Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability	0.000318%	0.000293%	0.000423%	0.000407%	0.002823%
District's proportionate share of the net pension liability	\$ 33,609	\$ 31,323	\$ 49,250	\$ 41,532	\$ 37,717
District's covered-employee payroll	\$ 103,716	\$ 93,378	\$ 130,455	\$ 123,552	\$ 119,853
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	32.40%	33.54%	37.75%	33.61%	31.47%
Plan fiduciary net position as a percentage of the total pension liability	2.15%	1.64%	0.97%	0.50%	0.99%

Note: Data was unavailable prior to 2014.

**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***

Board of Commissioners
Fort Myers Beach Mosquito Control District
Fort Myers Beach, 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 the Fort Myers Beach Mosquito Control District, (the "District") as of and for the fiscal year ended September 30, 2018, 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 24, 2019.

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.

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.

Internal Control Over Financial Reporting, continued

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 Standard*.

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.

This report is intended solely for the information and use of the District's management, the District's Board of Commissioners and the Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties

Handwritten signature in blue ink that reads "Ashley, Brown & Co."

Punta Gorda, Florida
June 24, 2019

MANAGEMENT LETTER

To the Honorable Board of Commissioners
Fort Myers Beach Mosquito Control District
Fort Myers Beach, Florida

Report on the Financial Statements

as of and for the fiscal year ended September 30, 2018, and have issued our report thereon dated June 24, 2019.

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 Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards and Independent Accountant's Examination Report on an 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 and schedule, which are dated June 24, 2019, 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 discloses this information in the notes to the financial statements. The District had no component units as of September 30, 2018.

Financial Condition and Management

Sections 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.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

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, the District's Board of Commissioners and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.



Punta Gorda, Florida
June 24, 2019

Independent Accountant's Examination Report

Board of Commissioners
Fort Myers Beach Mosquito Control District
Fort Myers Beach, Florida

Report on Compliance

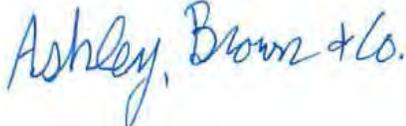
We have examined the Fort Myers Beach Mosquito Control District's (the "District") compliance with Section 218.415, Florida Statutes, Local Government Investment Policies, for the year ended September 30, 2018. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

Scope

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

Opinion

In our opinion, the District complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2018.



Punta Gorda, Florida
June 24, 2019