

**FORT MYERS BEACH
PUBLIC LIBRARY DISTRICT**

September 30, 2018

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

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Independent Auditor's Report

Board of Directors
Fort Myers Beach Public Library 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 Public Library 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. 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.

Change in Accounting Principle

As discussed in Note 7 to the financial statements, the District adopted the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, during the year ended September 30, 2018. Our opinions are not modified with respect to this matter.

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 19, 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 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 GOVERNMENT 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.



Punta Gorda, FL
June 19, 2019

MANAGEMENT'S
DISCUSSION AND ANALYSIS

Fort Myers Beach Public Library District
MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis of the Fort Myers Beach Public Library 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, 2018. The basic financial statements are comprised of the government-wide financial statements, governmental fund financial statements, and notes. The information presented in this MD&A should be considered in conjunction with the accompanying financial statements.

District Highlights

- At the close of fiscal year 2018, the District's assets exceeded its liabilities, resulting in net position of \$15,235,657.
- The District's total net position increased \$237,681, or 1.58 percent, in comparison to prior year.
- The District had \$588,714 of unassigned fund balance that can be used to meet the District's ongoing obligations.
- Total revenues increased \$168,962, or 12.25 percent, in comparison to prior year.
- Total expenses decreased \$28,326, or 2.12 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

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.

Fort Myers Beach Public Library District
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

Fund Financial Statements (continued)

The Fund financial statements (found on pages 8 and 9) are prepared on the modified accrual basis using the current financial resources measurement focus. Under the modified accrual basis of accounting, revenues are recognized when they become measurable and available as net current assets.

Notes to the Financial Statements

The *notes* to the financial statements explain in detail some of the data contained in the preceding statements and begin on page 10. 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 2018 and 2017.

Fort Myers Beach Public Library District
Summary of Net Position
September 30,

	2018	2017
Assets		
Current and other assets	\$ 4,734,644	\$ 4,136,644
Capital assets	11,066,176	11,358,116
Total Assets	15,800,820	15,494,760
Deferred Outflows of Resources	258,476	234,025
Total Assets and Deferred Outflows of Resources	16,059,296	15,728,785
Liabilities		
Accounts payable and accrued liabilities	74,385	52,453
Compensated absences	88,177	82,681
Net Pension Liability	588,275	545,253
Total Liabilities	750,837	680,387
Deferred Inflows of Resources	72,802	50,422
Total Liabilities and Deferred Inflows of Resources	823,639	730,809
Net position		
Invested in capital assets	11,039,898	11,358,116
Unrestricted	4,195,759	3,639,860
Total Net Position	\$ 15,235,657	\$ 14,997,976

Fort Myers Beach Public Library District
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

Government-Wide Financial Analysis (continued)

Investment in capital assets totaled \$11,039,898, which represents 72.46 percent of total net position and is comprised of land, building and improvements, books, audio visual, artwork, 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:

Revenues	2018	2017
Ad valorem taxes	\$ 1,339,755	\$ 1,262,538
Grants - State aid to libraries	33,779	29,586
Other	174,533	86,981
Total Revenues	<u>1,548,067</u>	<u>1,379,105</u>
Expenses		
Personal services	623,350	515,647
Operating expenditures	687,036	823,065
Total Expenses	<u>1,310,386</u>	<u>1,338,712</u>
Increase in Net Position	237,681	40,393
Net Position, Beginning of Year	<u>14,997,976</u>	<u>14,957,583</u>
Net Position, End of Year	<u><u>\$ 15,235,657</u></u>	<u><u>\$ 14,997,976</u></u>

Total revenues increased \$168,962 or 12.25 percent, in comparison to prior year primarily due to the \$77,217 increase in ad valorem taxes. This is due to the an increase in the property valuations which is driven by market sales. Other increases in revenue were from interest earnings and contributions.

Total expenses decreased in comparison to the prior year by \$28,326 or 2.12 percent, primarily due to the loss on the disposition of assets recorded in the prior fiscal year.

Budgetary Highlights

The District adopts an annual budget as required by Florida Statute. There were no changes to the original budget (see schedule on page 29). Overall actual revenues varied from final budgeted revenues positively by \$173,916. Actual expenditures were less than budgeted expenditures by \$182,710.

Fort Myers Beach Public Library District
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

Capital Assets

Non-depreciable capital assets include land, and books, audio visual, and artwork. Depreciable assets include building and improvements, and furniture, fixtures and equipment.

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

Fort Myers Beach Public Library District
Capital Assets
As of September 30,

CAPITAL ASSETS	2018	2017
Land	\$ 1,273,270	\$ 1,273,270
Books, audio visual and artwork	1,126,850	1,109,439
Total Capital Assets Not Being Depreciated	2,400,120	2,382,709
Furniture, fixtures and equipment	1,264,971	1,255,589
Improvements	98,294	72,016
Buildings	10,178,043	10,178,043
Total Capital Assets Being Depreciated	11,541,308	11,505,648
 ACCUMULATED DEPRECIATION		
Furniture, fixtures and equipment	(779,795)	(694,742)
Improvements	(53,971)	(48,808)
Buildings	(2,041,486)	(1,786,691)
Total Accumulated Depreciation	(2,875,252)	(2,530,241)
Total Capital Assets Being Depreciated, net	8,666,056	8,975,407
 CAPITAL ASSETS, NET	 \$ 11,066,176	 \$ 11,358,116

Fort Myers Beach Public Library District
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

Economic Factors and Next Year's Budget Rates

The 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 0.3356 mills per \$1,000 which is a 4.06 percent decrease from the 2017-2018 millage rate of \$0.3498.

A gradual increase in property values has had a 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

This financial report is designed to present users (citizens, customers, investors and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. Questions concerning this report or requests for additional financial information should be directed to: Fort Myers Beach Public Library District, 2755 Estero Blvd, Fort Myers Beach, FL 33931 or by calling (239) 765-8162

**BASIC
FINANCIAL STATEMENTS**

Fort Myers Beach Public Library District
Balance Sheet - Governmental Funds and Statement of Net Position
as of September 30, 2018

	<u>General Fund</u>	<u>Adjustments Note 8</u>	<u>Statement of Net Position</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Assets			
Cash	\$ 4,680,706	\$ -	\$ 4,680,706
Prepaid expenses	53,938	-	53,938
Capital Assets	<u>-</u>	<u>11,066,176</u>	<u>11,066,176</u>
Total Assets	<u>4,734,644</u>	<u>11,066,176</u>	<u>15,800,820</u>
Deferred Outflows of Resources	<u>-</u>	<u>258,476</u>	<u>258,476</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 4,734,644</u>	<u>11,324,652</u>	<u>16,059,296</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities			
Current:			
Accounts Payable	\$ 52,124	-	52,124
Deposits	935	-	935
Accrued Payroll Liabilities	21,326	-	21,326
Long-Term :			
Compensated Absences	-	88,177	88,177
Net Pension Liability	<u>-</u>	<u>588,275</u>	<u>588,275</u>
Total Liabilities	<u>74,385</u>	<u>676,452</u>	<u>750,837</u>
Deferred Inflows of Resources	<u>-</u>	<u>72,802</u>	<u>72,802</u>
Fund Balances/Net Position			
Fund balance - Assigned			
Catastrophe Fund	1,304,642	(1,304,642)	-
Equipment and Building Replacement	1,609,375	(1,609,375)	-
Total Solar Capital Project Fund	1,157,528	(1,157,528)	-
Fund balance - Unassigned	<u>588,714</u>	<u>(588,714)</u>	<u>-</u>
Total Fund Balance	<u>4,660,259</u>	<u>(4,660,259)</u>	<u>-</u>
Total Liabilities and Fund Balance	<u>\$ 4,734,644</u>		
Net Position			
Net investment in Capital Assets			11,039,898
Unrestricted			4,195,759
Total Net Position			<u>\$ 15,235,657</u>

Fort Myers Beach Public Library District
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Governmental Funds
and Statement of Activities
For the Fiscal Year Ended September 30, 2018

	General Fund	Adjustments Note 8	Statement of Activities
Revenues			
Ad valorem taxes	\$ 1,339,755	\$ -	\$ 1,339,755
Grants - State aid to libraries	33,779	-	33,779
Fines and fees	1,470	-	1,470
Visitor cards	6,300	-	6,300
Interest	102,930	-	102,930
Copy and fax machine revenue	6,375	-	6,375
Donations and gifts	39,562	6,768	46,330
Books and magazines reimbursed	736	-	736
Rental revenue	5,432	-	5,432
Miscellaneous	4,960	-	4,960
Total Revenues	<u>1,541,299</u>	<u>6,768</u>	<u>1,548,067</u>
Expenditures/Expenses			
Personal services	576,903	46,447	623,350
Operating expenditures			
Library operating	36,415	-	36,415
Plant and equipment	192,755	395,461	588,216
Administrative	62,405	-	62,405
Capital outlay	96,753	(96,753)	-
Total Expenditures/Expenses	965,231	345,155	1,310,386
Net Change in Fund Balances and Net Position	576,068	(338,387)	237,681
Fund Balance/Net Position - October 1, 2017	<u>4,084,191</u>	<u>10,913,785</u>	<u>14,997,976</u>
Fund Balance/Net Position - September 30, 2018	<u>\$ 4,660,259</u>	<u>\$ 10,575,398</u>	<u>\$ 15,235,657</u>

Fort Myers Beach Public Library District
Notes to the Financial Statements
September 30, 2018

NOTE 1 - ORGANIZATION

The Fort Myers Beach Public Library District (the "District") is an independent special taxing district located on Fort Myers Beach, Florida. The District was established in 1955. The District provides library services to the residents located within the District's geographic boundaries and via agreement with Lee County to the residents of Lee County. The District operates out of its facility located at 2755 Estero Blvd.

The District charter was codified by Chapter 2003-328, Florida Statutes. The District is governed by an independently elected seven member operating board.

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to Governmental Units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the District's more significant accounting principles and policies:

Reporting Entity

The activities of the District are conducted within the general geographic area of Fort Myers Beach, Florida. The District participates in reciprocal borrowing with the Lee County Library System.

1. The District is predominately funded by ad valorem taxes charged to taxpayers within its physical boundaries.
2. The District adopts the millage rate and budget annually.
3. Lee County does not have any obligation to fund deficits or any right to receive surpluses of the District.
4. The management of the District is employed and governed by independently elected officials.
5. Services of the District are available to permanent residents and/or owners of real estate in the Library District, and/or Lee County. Use of the Library is extended to both sexes and people of all ages, races, religions, national origins, social and political views, and disabilities.

The District has developed criteria to determine whether outside agencies should be included within its financial reporting entity. The criteria include, but are not limited to, whether the District (1) selects the governing authority or management, (2) has the ability to significantly influence operations, (3) has accountability for fiscal matters (e.g., final budget approval, responsibility for funding deficits, management of assets, etc.). Using these criteria, the District has not included in its financial statements the activities of any other entity.

Fort Myers Beach Public Library District
Notes to the Financial Statements
September 30, 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation

The government-wide and fund financial statements are combined, with a reconciliation between them.

The Governmental Funds Balance Sheet and Statement of Net Position and Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances and Statement of Activities combines information about the reporting government as a whole and finds statements to report its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain District functions or activities.

Major individual governmental funds are reported as separate columns in the fund financial statements. Following is a description of the fund utilized by the District:

General Fund - The General Fund is the operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

Basis of Accounting

The government-wide statements (Statement of Net Position and the Statement of Activities) are prepared using the economic resources measurement focus and the accrual basis of accounting. Fund financial statements (the Governmental Funds Balance Sheet and Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances) are prepared using the current financial measurement focus and are accounted for using the modified accrual basis of accounting. Under this basis, revenues are recognized in the accounting period in which they become measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

Budgets

The District adopts its budgets on a basis consistent with accounting principles generally accepted in the United States of America. An annual appropriated budget is established for the Funds. All annual appropriations lapse at year-end. Estimated beginning cash balances are considered in the budgetary process and are not included in the financial statements as budgeted revenue.

The annual budget serves as the legal authorization for expenditures. Expenditures of the general fund cannot legally exceed the total expenditure amount budgeted for the general fund. The Board, at public meetings, approves all budget amendments, which change the legally adopted total appropriation for the general fund.

Fort Myers Beach Public Library District
Notes to the Financial Statements
September 30, 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and Investments

Cash consists of interest bearing cash accounts and certificates of deposit carried at cost, which approximates market, and a petty cash drawer. All District deposits are held in qualified public depositories pursuant to Florida Statutes, Chapter 280. In addition to insurance provided by the Federal Deposit Insurance Corporation (FDIC), demand deposits are held in banking institutions approved by the State Treasurer of the State of Florida to hold public funds. Under Chapter 280, all qualified public depositories are required to pledge eligible collateral having a fair market value equal or greater than the average daily of monthly balances of all public deposits, times the depository's collateral pledging level.

Any losses to public depositors are covered by applicable deposit insurance, sale of securities pledged as collateral, and if necessary, assessments against other qualified public depositories of the same type as the depository in default. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof. As of September 30, 2018, the District had cash on hand of \$1,136. The District cash balance is comprised of a checking account with carrying/book balances and bank balances of \$608,024 and \$666,784, respectively. Additionally, the District held seven Certificates of Deposit with a financial institution with carrying/book balances and bank balances of values of \$4,071,546 and \$4,071,546, respectively.

Capital Assets

The accounting treatment over property, plant, and equipment (capital assets) depends on whether the assets are reported in the government-wide financial statements.

Government Wide Statements

In the government-wide financial statements, capital assets are valued at historical cost or estimated historical cost if actual cost is unavailable. Donated assets are recorded at fair value at the date of donation. General infrastructure assets are reported at historical cost as they are acquired.

The cost of normal maintenance and repair that do not add to the value of the asset or materially extend the life of the asset is not capitalized

Depreciation of all exhaustive capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	40 years
Improvements	15 years
Furniture and Equipment	5 - 20 years

The minimum capitalization threshold is any item with a total cost greater than \$1,000.

Fort Myers Beach Public Library District
Notes to the Financial Statements
September 30, 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital Assets (continued)

Fund Financial Statements

In the fund financial statements, capital assets used in government fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Fund Equity

In the governmental fund financial statements, assignment of fund balance indicates amounts that are limited for a specific purpose and are segregated for an intended specific future use. Fund balance is assigned through Board of Directors meetings or a policy established by the Board of Directors. Designations of fund balance as assigned represent intended management plans. The amount of and timing of funds transferred to CDs that hold assigned fund balance is determined by the Board of Directors during the budget process. Undesignated fund balance indicates funds that are available for current expenditure.

Compensated Absences

It is the District's policy to permit employees to accumulate annual leave, based upon the length of continuous service. Accumulated annual that is expected to be liquidated with expendable available financial resources in the next fiscal year is reported as an expenditure and liability on the fund statements with the long-term portion being reflected on the statements of net position and activities.

Encumbrances

The District does not utilize an encumbrance system in accounting for expenditures.

Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the District purchases commercial insurance policies on the open market with respect to workman's compensation, general liability, property and vehicle insurance. Settled claims resulting from these risks have historically not exceeded insurance coverage in the past three years and there have been no significant reductions in insurance coverage from the prior year.

Income Taxes

The District is exempt from all state and federal income taxes.

Fort Myers Beach Public Library District
Notes to the Financial Statements
September 30, 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

NOTE 3 - CHANGES IN CAPITAL ASSETS

A summary of changes in general fixed assets follows:

	Balances October 1, 2017	Additions	Deletions	Adjustments	Balances September 30, 2018
Capital assets not depreciated:					
Land	\$ 1,273,270	\$ -	\$ -	\$ -	\$ 1,273,270
Books, audio visual and artwork	1,109,439	67,861	(50,450)	-	1,126,850
Total capital assets not depreciated	<u>2,382,709</u>	<u>67,861</u>	<u>(50,450)</u>	<u>-</u>	<u>2,400,120</u>
Capital assets depreciated:					
Furniture, fixtures and equipment	1,255,589	9,382	-	-	1,264,971
Improvements	72,016	-	-	26,278	98,294
Buildings	10,178,043	-	-	-	10,178,043
Total capital assets depreciated	<u>11,505,648</u>	<u>9,382</u>	<u>-</u>	<u>26,278</u>	<u>11,541,308</u>
Less: Accumulated depreciation	<u>(2,530,241)</u>	<u>(344,135)</u>	<u>-</u>	<u>(876)</u>	<u>(2,875,252)</u>
Capital assets, net	<u>\$ 11,358,116</u>	<u>\$ (266,892)</u>	<u>\$ (50,450)</u>	<u>\$ 25,402</u>	<u>\$ 11,066,176</u>

The District received \$6,768 in donations of books.

Fort Myers Beach Public Library District
Notes to the Financial Statements
September 30, 2018

NOTE 4 - LONG TERM LIABILITIES

A summary of the changes in long term liabilities of the District for the year ended September 30, 2018 is as follows:

	Balance October 1, 2017	Additions	Reductions	Balance September 30, 2018	Amounts Due Within One Year
Compensated Absences	\$ 82,681	\$ 5,496	\$ -	\$ 88,177	\$ 45,754
Net Pension Liability- Pension Plan	420,475	96,768	(68,981)	448,262	-
Net Pension Liability- HIS Plan	124,778	28,391	(13,156)	140,013	-
Total Long Term Liabilities	<u>\$ 627,934</u>	<u>\$ 130,655</u>	<u>\$ (82,137)</u>	<u>\$ 676,452</u>	<u>\$ 45,754</u>

NOTE 5 - RETIREMENT PLANS

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.

Fort Myers Beach Public Library District
Notes to the Financial Statements
September 30, 2018

NOTE 5 - RETIREMENT PLANS (continued)

Pension Plan

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.

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 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.

Fort Myers Beach Public Library District
Notes to the Financial Statements
September 30, 2018

NOTE 5 - RETIREMENT PLANS (continued)

Pension Plan (continued)

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%; 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% administrative fee for the periods October 1, 2017 through June 30, 2018 and from July 1, 2018 through September 30, 2018.

The District's contributions to the Pension Plan totaled \$43,045 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 \$448,262 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 .001488229%, which was an increase of 0.0000667% from its proportionate share measured as of June 30, 2017.

Fort Myers Beach Public Library District
Notes to the Financial Statements
September 30, 2018

NOTE 5 - RETIREMENT PLANS (continued)

Pension Plan (continued)

For the fiscal year ended September 30, 2018, the District recognized pension expense of \$42,522. 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	\$ 37,975	\$ (1,378)
Change of assumptions	146,470	-
Net difference between projected and actual earnings on Pension Plan investments	-	(34,634)
Changes in proportion and differences between District Pension Plan contributions and proportionate share of contributions	26,516	(10,662)
District Pension Plan contributions subsequent to the measurement date	11,911	-
Total	<u>\$ 222,872</u>	<u>\$ (46,674)</u>

The deferred outflows of resources related to the Pension Plan, totaling \$8,758 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, 2019. 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
2019	\$ 68,721
2020	43,023
2021	5,267
2022	25,577
2023	18,365
Thereafter	3,334

Fort Myers Beach Public Library District
Notes to the Financial Statements
September 30, 2018

NOTE 5 - RETIREMENT PLANS (continued)

Pension Plan (continued)

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	2.6%
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.

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

Fort Myers Beach Public Library District
Notes to the Financial Statements
September 30, 2018

NOTE 5 - RETIREMENT PLANS (continued)

Pension Plan (continued)

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.

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	\$ 818,097	\$ 448,262	\$ 141,092

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.

Fort Myers Beach Public Library District
Notes to the Financial Statements
September 30, 2018

NOTE 5 - RETIREMENT PLANS (continued)

HIS Plan (continued)

Contributions – The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended 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 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 \$7,707 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 \$140,013 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 .001323%, which was an increase of 0.000156% from its proportionate share measured as of June 30, 2017.

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Fort Myers Beach Public Library District
Notes to the Financial Statements
September 30, 2018

NOTE 5 - RETIREMENT PLANS (continued)

HIS Plan (continued)

For the fiscal year ended September 30, 2018, the District recognized HIS expense of \$3,503. 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	\$ 2,144	\$ (238)
Change of assumptions	15,571	(14,803)
Net difference between projected and actual earnings on HIS Plan investments	85	-
Changes in proportion and differences between District HIS Plan contributions and proportionate share of contributions	15,911	(11,087)
District HIS Plan contributions subsequent to the measurement date	<u>1,893</u>	<u>-</u>
Total	<u>\$ 35,604</u>	<u>\$ (26,128)</u>

The deferred outflows of resources related to the HIS Plan, totaling \$1,358 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, 2019. 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
2019	\$ 2,719
2020	2,712
2021	1,296
2022	614
2023	(1,233)
Thereafter	1,475

Fort Myers Beach Public Library District
Notes to the Financial Statements
September 30, 2018

NOTE 5 - RETIREMENT PLANS (continued)

HIS Plan (continued)

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.

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	\$ 159,467	\$ 140,013	\$ 123,797

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.

Fort Myers Beach Public Library District
Notes to the Financial Statements
September 30, 2018

NOTE 5 - RETIREMENT PLANS (continued)

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 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: 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 contributions totaled \$5,002 for the fiscal year ended September 30, 2018.

Fort Myers Beach Public Library District
Notes to the Financial Statements
September 30, 2018

NOTE 6 - COMMITMENTS AND CONTINGENCIES

The Board purchases liability and casualty insurance coverage from commercial carriers with coverages and deductibles in amounts the Board believes are adequate.

NOTE 7 - 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 prescription drug) 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 five 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 Public Library District
Notes to the Financial Statements
September 30, 2018

NOTE 8 - ADJUSTMENTS

Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities:

Governmental fund balance	\$ 4,660,259
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Amounts reported in governmental activities in the statement of net position are different because:

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.	185,674
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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:

Net Pension Liability	(588,275)
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Compensated Absences	(88,177)
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Capital assets used in the governmental activities are not financial resources and therefore are not reported in the general fund (net of accumulated depreciation)	<u>11,066,176</u>
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Net Position of Governmental Activities:	<u><u>\$ 15,235,657</u></u>
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Fort Myers Beach Public Library District
Notes to the Financial Statements
September 30, 2018

NOTE 8 - ADJUSTMENTS (continued)

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities:

Net change in governmental fund balance \$ 576,068

Amounts reported in governmental activities in the statement of net activities are different because:

The increase in pension expense is reported in the Statement of Activities, but does not require use of current financial resources and is not reported as an expenditure in the fund financial statements. (40,951)

The change in compensated absences is reported as an expense on the statement of activities; however, since this is not anticipated to be paid in the next fiscal year it is not reflected as an expenditure on the fund financial statements. (5,496)

Governmental funds report capital outlay as expenditures; however, in the statement of activities, the cost of the assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay was less depreciation and capital asset adjustments in the current period. Donations of capital assets increase net position in the statement of activities, but are not financial resources in governmental funds. The net effect of the transactions is to decrease net position.

Capital Outlay	\$	96,753	
Donations and gain and loss on disposal		(43,682)	
Depreciation		(345,011)	
		(291,940)	(291,940)

Changes in net position of governmental activities \$ 237,681

Required Supplementary
Information

Fort Myers Beach Public Library District
Statement of Revenues, Expenses and Changes in Fund Balance
Budget and Actual - General Fund
For the Fiscal Year Ended September 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Ad valorem taxes	\$ 1,320,883	\$ 1,320,883	\$ 1,339,755	\$ 18,872
Grants - State aid to libraries	16,000	16,000	33,779	17,779
Fines and fees	1,500	1,500	1,470	(30)
Visitor cards	6,900	6,900	6,300	(600)
Interest	14,000	14,000	102,930	88,930
Copy/Fax machine revenue	3,100	3,100	6,375	3,275
Donations and gifts	5,000	5,000	39,562	34,562
Books and magazines reimbursed	-	-	736	736
Rental revenue	-	-	5,432	5,432
Miscellaneous	-	-	4,960	4,960
Total Revenues	<u>1,367,383</u>	<u>1,367,383</u>	<u>1,541,299</u>	<u>173,916</u>
Expenditures				
Personal Services				
Salaries and wages	573,885	573,885	468,892	104,993
Accumulated benefits	4,500	4,500	-	4,500
Payroll taxes	44,701	44,701	35,852	8,849
Retirement	56,400	56,400	54,418	1,982
Medical insurance	27,600	27,600	17,741	9,859
Total Personal Services	<u>707,086</u>	<u>707,086</u>	<u>576,903</u>	<u>130,183</u>
Operating Expenditures				
Library Expenditures				
Operating supplies	8,400	8,400	9,779	(1,379)
Membership and training	4,690	4,690	1,175	3,515
Travel and per diem	6,725	6,725	2,839	3,886
Promotions and advertising	18,400	18,400	21,167	(2,767)
Legal advertising	1,600	1,600	1,455	145
Total Library Expenditures	<u>39,815</u>	<u>39,815</u>	<u>36,415</u>	<u>3,400</u>
Plant & Equipment				
Contractual services	49,000	49,000	53,952	(4,952)
Utilities	39,000	39,000	37,526	1,474
Insurance	74,100	74,100	57,304	16,796
Repair & maintenance services	10,100	10,100	21,719	(11,619)
Repair & maintenance expense	6,700	6,700	8,284	(1,584)
Professional data costs	53,000	53,000	13,970	39,030
Total Plant & Equipment	<u>231,900</u>	<u>231,900</u>	<u>192,755</u>	<u>39,145</u>

Fort Myers Beach Public Library District
Statement of Revenues, Expenses and Changes in Fund Balance
Budget and Actual - General Fund
For the Fiscal Year Ended September 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final</u>
	<u>Original</u>	<u>Final</u>		
Expenditures-continued				
Operating Expenditures-continued				
Administrative Expenditures				
Telephone	2,900	2,900	3,994	(1,094)
Internet access	14,000	14,000	3,281	10,719
Freight	2,100	2,100	674	1,426
Professional services	11,000	11,000	10,300	700
Bank fees/charges	100	100	-	100
Special district fee	200	200	175	25
Lee Co. Property Appraiser fee	9,520	9,520	7,529	1,991
Lee Co. Tax Collector fee	20,700	20,700	17,926	2,774
Accounting services	8,900	8,900	8,500	400
Office supplies	1,800	1,800	2,359	(559)
Computer	4,020	4,020	2,697	1,323
Copier/Fax	900	900	250	650
Equipment - other	500	500	1,711	(1,211)
Miscellaneous	200	200	3,009	(2,809)
Total Administrative Expenditures	<u>76,840</u>	<u>76,840</u>	<u>62,405</u>	<u>14,435</u>
Total Operating Expenditures	<u>348,555</u>	<u>348,555</u>	<u>291,575</u>	<u>56,980</u>
Capital Outlay				
Building improvements	8,000	8,000	26,278	(18,278)
Improvements other than buildings	5,000	5,000	-	5,000
Furniture and equipment	9,000	9,000	9,382	(382)
Book purchases	39,000	39,000	44,426	(5,426)
Audio/video purchases	19,000	19,000	12,608	6,392
Periodical subscriptions	5,500	5,500	4,059	1,441
Computer software	6,300	6,300	-	6,300
Sign	500	500	-	500
Total Capital Outlay	<u>92,300</u>	<u>92,300</u>	<u>96,753</u>	<u>(4,453)</u>
Total Expenditures	<u>1,147,941</u>	<u>1,147,941</u>	<u>965,231</u>	<u>182,710</u>
Excess of Revenues Over (Under) Expenditures	219,442	219,442	576,068	356,626
Fund Balance, October 1, 2017	<u>4,084,191</u>	<u>4,084,191</u>	<u>4,084,191</u>	<u>-</u>
Fund Balance, September 30, 2018	<u>\$ 4,303,633</u>	<u>\$ 4,303,633</u>	<u>\$ 4,660,259</u>	<u>\$ 356,626</u>

Fort Myers Beach Public Library 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	\$ 43,045	\$ 36,616	\$ 39,215	\$ 36,204	\$ 34,164
Contributions in relation to contractually require contribution	<u>(43,045)</u>	<u>(36,616)</u>	<u>(39,215)</u>	<u>(36,204)</u>	<u>(34,164)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 391,353	\$ 340,967	\$ 364,694	\$ 350,843	\$ 351,386
Contributions as a percentage of covered- employee payroll	11.00%	10.74%	10.75%	10.32%	9.72%

Note: Data was unavailable prior to 2014.

Fort Myers Beach Public Library District
Schedule of the District's Proportionate Share of the Net Pension Liability - Pension Plan

For the Fiscal Year Ended September 30, 2018
For the Last Five Fiscal Years Ended June 30

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability	0.001488%	0.001422%	0.001522%	0.001521%	0.001475%
District's proportionate share of the net pension liability	\$ 448,262	\$ 420,620	\$ 384,201	\$ 196,425	\$ 89,999
District's covered-employee payroll	\$ 369,564	\$ 342,738	\$ 370,148	\$ 361,694	\$ 368,487
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	121.29%	122.72%	103.80%	54.31%	24.42%
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 Public Library 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	\$ 7,707	\$ 6,189	\$ 6,453	\$ 5,260	\$ 4,863
Contributions in relation to contractually require contribution	<u>(7,707)</u>	<u>(6,189)</u>	<u>(6,453)</u>	<u>(5,260)</u>	<u>(4,863)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 464,258	\$ 372,821	\$ 388,754	\$ 389,987	\$ 390,590
Contributions as a percentage of covered- employee payroll	1.66%	1.66%	1.66%	1.35%	1.25%

Note: Data was unavailable prior to 2014.

Fort Myers Beach Public Library District
Schedule of the District's Proportionate Share of the Net Pension Liability - HIS Plan

For the Fiscal Year Ended September 30, 2018
For the Last Five Fiscal Years Ended June 30

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability	0.00132%	0.00117%	0.00128%	0.00129%	0.00135%
District's proportionate share of the net pension liability	\$ 140,013	\$ 124,778	\$ 148,840	\$ 132,061	\$ 126,400
District's covered-employee payroll	\$ 432,067	\$ 371,965	\$ 394,245	\$ 393,937	\$ 401,036
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	32.41%	33.55%	37.75%	33.52%	31.52%
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 Directors
Fort Myers Beach Public Library 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 Fort Myers Beach Public Library 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 19, 2019 for the purpose of compliance with Section 218.39(2), Florida Statutes, and Chapter 10.550, Rules of the Auditor General – Local Governmental Entity Audits

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.

A handwritten signature in blue ink that reads "Ashley, Brown & Co." The signature is written in a cursive style.

Punta Gorda, Florida
June 19, 2019

MANAGEMENT LETTER

To the Honorable Board of Directors
Fort Myers Beach Public Library District
Fort Myers Beach, Florida

Report on the Financial Statements

We have audited the financial statements of the Fort Myers Beach Public Library District, Florida, (the "District") as of and for the fiscal year ended September 30, 2018, and have issued our report thereon dated June 19, 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 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 19, 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 that we 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 identification of the specific condition(s) met. In connection with our audit, we determined that the District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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

Special District Component Units

Section 10.554(1)(i)5.d., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 219.39(3)(b), Florida Statutes. In connection with our audit, we determined that there are no special district component units required to report to the District.

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

Ashley, Brown & Co.

Punta Gorda, Florida
June 19, 2019

Independent Accountant's Examination Report

Board of Directors
Fort Myers Beach Public Library District
Fort Myers Beach, Florida

Report on Compliance

We have examined the Fort Myers Beach Public Library 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 *AICPA Professional Standards*, AT-C Section 315, promulgated 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 19, 2019