

FRED R. WILSON MEMORIAL LAW LIBRARY

**FINANCIAL STATEMENTS,
SUPPLEMENTARY INFORMATION AND
INDEPENDENT AUDITORS' REPORT**

SEPTEMBER 30, 2018



Greene, Dycus & Co, PA

Certified Public Accountants

407-322-0561

www.gdccpa.net

Table of Contents

Independent Auditors' Report	1-3
Management's Discussion and Analysis	4-6
Financial Statements:	
Governmental Fund Balance Sheet / Statement of Net Position	7
Governmental Fund Revenues, Expenditures and Changes in Fund Balance / Statement of Activities.....	8
Notes to Financial Statements	9-18
Required Supplementary Information.....	19
Schedule of Proportionate Share of Net Pension Liability of Florida Retirement System and Health Insurance Subsidy.....	20
Schedule of Contributions of Florida Retirement System and Health Insurance Subsidy.....	21
Supplementary Information	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual – General Fund.....	23
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.....	24-25
Independent Auditors' Management Letter.....	26-29
Independent Accountants' Report on Compliance with Florida Statutes 218.415 – Investments of Public Funds.....	30



INDEPENDENT AUDITORS' REPORT

Board of Trustees
Fred R. Wilson Memorial Law Library
Sanford, Florida

We have audited the accompanying component unit financial statements of the Fred R. Wilson Memorial Law Library ("Library"), a component unit of Seminole County, Florida, as of and for the year ended September 30, 2018 and the related notes to the financial statements which collectively comprise the Library's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *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.

Robert Kimelman, CPA
Thomas J. Frank, CPA

William T. Royster, CPA (Retired)
Jack I. Greene, CPA (Deceased)
James R. Dycus, CPA (Deceased)

Opinion

In our opinion, the component unit financial statements referred to above present fairly, in all material respects, the respective financial position of the Library at September 30, 2018, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the governmental fund of the Fred R. Wilson Memorial Law Library; and do not purport to, and do not, present fairly the financial position of Seminole County, Florida; as of September 30, 2018, the changes in its financial position, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 4 through 6 and Schedule of Proportionate Share of Net Pension Liability of Florida Retirement System and Health Insurance Subsidy and Schedule of Contributions of Florida Retirement System and Health Insurance Subsidy on pages 20 and 21 be presented to supplement the financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Matters - continued

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements of the Library taken as a whole. The accompanying Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund, for the year ended September 30, 2018 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund, for the year ended September 30, 2018 is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated February 1, 2019 on our consideration of the Library's internal control over financial reporting and on our tests of its compliance with certain provisions of rules, regulations, contracts and grant agreements and other matters included under the heading INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial control or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Library's internal control over financial reporting and compliance.

Greene Dycus & Co.

Professional Association
Certified Public Accountants
Sanford, Florida
February 1, 2019

**FRED R. WILSON MEMORIAL LAW LIBRARY
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2018**

This discussion of the Fred R. Wilson Memorial Law Library's (the "Library") financial performance provides an overview of the Library's activities for the year ended September 30, 2018. It should be read in conjunction with the financial statements.

The Fred R. Wilson Memorial Law Library's (the "Library") discussion and analysis is designed to (1) assist the reader in focusing on significant financial issues and activities, and to identify any significant changes in financial position, (2) provide an overview of the Library's financial activity, (3) identify changes in the Library's financial position (its ability to address the next and subsequent years' challenges), and (4) identify issues or concerns. This discussion and analysis is intended to serve as an introduction to the Library's financial statements, which are comprised of the basic financial statements and the notes to the financial statements. Since the Library is comprised of a single general fund, no fund level financial statements are shown. This financial report also contains the following items to enhance the readers understanding of the financial data:

- Supplemental information concerning the Library's Schedule of Revenues and Expenses – Budget and Actual – General Fund.
- Notes to the financial statements which convey a full understanding of the Library's financial statement data.
- Required supplemental information concerning the Library's proportionate share of the net pension liability and required contributions for the cost-sharing defined-benefit pension plans in which it participates.

Overview of the Financial Statements

The Government-wide and fund financial statements are combined for this report, as all activities of the Library are governmental activities and the Library is deemed to be a single-program government. The report consists of the government-wide and fund statements, notes to the financial statements and other supplementary information. The statements are designed to provide readers with an overview of the Library's finances in a manner similar to a private sector business.

The Governmental Fund Balance Sheet and Statement of Net Position present the Library's assets and liabilities as of September 30, 2018. The difference between assets and liabilities is presented as net position. Increases or decreases in the amounts of net position serve as an indicator of whether the Library's financial condition is improving or deteriorating. The following is a condensed balance sheet:

	<u>2018</u>	<u>2017</u>
Current and other assets	\$ 216,254	\$ 236,741
Capital assets, net	-	290
Deferred outflows of resources	50,411	30,730
Total assets and deferred outflows of resources	<u>\$ 266,665</u>	<u>\$ 267,761</u>
Liabilities	\$ 86,542	\$ 67,134
Deferred inflows of resources	18,847	15,336
Total liabilities and deferred inflows of resources	<u>105,389</u>	<u>82,470</u>
Net position:		
Net invested in capital assets	-	290
Unrestricted	161,276	185,001
Total net position	<u>161,276</u>	<u>185,291</u>
Total liabilities and deferred inflows of resources and net position	<u>\$ 266,665</u>	<u>\$ 267,761</u>

**FRED R. WILSON MEMORIAL LAW LIBRARY
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2018**

The Governmental Fund Revenues, Expenditures and Changes in Fund Balance and Statement of Activities present information related to the components of net position increases and decreases. The Library uses the economic resources measurement focus and the accrual basis of accounting, whereby changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. The following are condensed statements of revenue, expenses, and changes in net position.

	<u>2018</u>	<u>2017</u>
Operating revenues	\$ 29,050	\$ 28,448
Operating expenses	<u>(164,172)</u>	<u>(157,850)</u>
Operating loss	(135,122)	(129,402)
Investment income	<u>1,385</u>	<u>1,385</u>
Loss before contributions	(133,737)	(128,017)
Support from Seminole County	108,750	108,750
Donations and miscellaneous	<u>972</u>	<u>976</u>
Change in net position	(24,015)	(18,291)
Net position, beginning of year	<u>185,291</u>	<u>203,582</u>
Net position, end of year	<u>\$ 161,276</u>	<u>\$ 185,291</u>

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Library uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Reconciliation of the government-wide and fund financial statements are provided in Note 3 on page 12.

Financial Analysis

Government-wide Financial Statements

The Government-wide Financial Statements are presented in the far right column of pages 7 and 8. Net position may serve, over time, as a useful indicator of financial position. In the case of the Library, assets exceeded liabilities by \$161,276 at September 30, 2018. This represents a decrease of \$24,015 over the previous year, which is attributable both to a small reduction in revenue and the Library's own reduction in operating expenses. Net position at September 30, 2018 is \$161,276.

The Library's cash and cash equivalents decreased from \$234,602 to \$212,364 from the beginning of the year to the end of the year. In addition, there was \$0 and \$1,252 at September 30, 2018 and 2017, respectively that was included in the asset account due from Seminole County, Florida and other assets. Liabilities (excluding net pension liabilities) decreased during the same period from \$7,048 to \$4,045.

**FRED R. WILSON MEMORIAL LAW LIBRARY
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2018**

Financial Analysis - Continued

Fund Financial Statements

The Library's principal source of revenue is provided by the Seminole County Board of Commissioners. The general fund, which is the Library's only fund, expenditures exceeded revenues by \$17,484. In the prior year general fund revenues exceeded expenditures by \$14,855. Total revenues and expenditures for the current period were \$140,157 and \$157,641 respectively. Total revenues and expenditures for the prior year were \$139,559 and \$154,414 respectively.

Budget

The originally adopted budget for the year ended September 30, 2018 was approved by the Trustees on December 12, 2017. The budget was never amended.

Change in Accounting Principles

The Library participates in the Florida Retirement System (FRS) defined benefit pension plan and the Health Insurance Subsidy (HIS) defined benefit plan administered by Florida Division of Retirement. As a participating employer, the Library implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, which requires employers participating in cost-sharing multiple-employer defined benefit pension plans to report the employers' proportionate share of the net pension liabilities of the defined benefit pension plans. The requirements of this Statement are being implemented prospectively; with the Library reporting its proportionate share of the actuarially determined liabilities.

Requests for Information

This financial report is designed to provide a general overview of the Library's finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Librarian, 112 North Hood Ave., Sanford, FL 32771-1382. Telephone 407-665-4576.

**FRED R. WILSON MEMORIAL LAW LIBRARY
GOVERNMENTAL FUND BALANCE SHEET /
STATEMENT OF NET POSITION
SEPTEMBER 30, 2018**

	General Fund	Adjust- ments	Statement of Net Assets
ASSETS:			
Cash and cash equivalents	\$ 212,364	\$ -	\$ 212,364
Due from Seminole County, Florida	-	-	-
Prepaid expense	3,890	-	3,890
Capital assets, net of accumulated depreciation	-	-	-
Total assets	\$ 216,254	\$ -	\$ 216,254
DEFERRED OUTFLOWS OF RESOURCES:			
Pension Outflows	-	50,411	50,411
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ -	\$ 50,411	\$ 266,665
LIABILITIES:			
Accounts payable	\$ 2,549	-	2,549
Payroll liabilities	1,329	-	1,329
Net pension liability	-	82,497	82,497
Sales tax payable	167	-	167
Total liabilities	4,045	82,497	86,542
DEFERRED INFLOWS OF RESOURCES:			
Pension inflows	-	18,847	18,847
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	-	-	105,389
FUND BALANCE / NET POSITION:			
Fund balance - Unreserved:			
Nonspendable	3,890	(3,890)	-
Unassigned	208,319	(208,319)	-
Total fund balance	212,209	(212,209)	-
Total liabilities and fund balance	\$ 216,254	\$ -	\$ -
Net position:			
Unrestricted		161,276	161,276
Invested in capital assets		-	-
Total net position		\$ 161,276	\$ 161,276

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

**FRED R. WILSON MEMORIAL LAW LIBRARY
GOVERNMENTAL FUND REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE / STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	General Fund	Adjust- ments	Statement of Activities
	<u> </u>	<u> </u>	<u> </u>
EXPENSES:			
Salaries	\$ 73,034	\$ -	\$ 73,034
Payroll taxes	5,587	-	5,587
Pension expense	8,685	6,241	14,926
Professional fees	8,809	-	8,809
Office expense and supplies	1,778	-	1,778
Copy machine lease and maintenance	3,975	-	3,975
Insurance	2,395	-	2,395
Books and publications	53,378	-	53,378
Capital outlay	-	-	-
Depreciation	-	290	290
	<u> </u>	<u> </u>	<u> </u>
Total expenditures/expenses	157,641	6,531	164,172
	<u> </u>	<u> </u>	<u> </u>
PROGRAM REVENUES:			
Charges for services - copy machine and other charges	29,050	-	29,050
	<u> </u>	<u> </u>	<u> </u>
Net program expense	-	-	135,122
	<u> </u>	<u> </u>	<u> </u>
GENERAL REVENUES:			
Support from Seminole County, Florida	108,750	-	108,750
Interest	1,385	-	1,385
Donations and miscellaneous	972	-	972
	<u> </u>	<u> </u>	<u> </u>
Total general revenues	111,107	-	111,107
	<u> </u>	<u> </u>	<u> </u>
Excess (deficiency) of revenues over expenditures	(17,484)	17,484	-
Change in net position	-	(17,774)	(24,015)
Fund balance/net position:			
Beginning of year	229,693	-	185,291
	<u> </u>	<u> </u>	<u> </u>
End of year	\$ 212,209	\$ 6,241	\$ 161,276
	<u> </u>	<u> </u>	<u> </u>

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

**FRED R. WILSON MEMORIAL LAW LIBRARY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Reporting Entity

The Fred R. Wilson Memorial Law Library, a non-profit tax exempt organization, was created by an act of the Legislature of the State of Florida, July 1, 1959. The Board of Trustees consists of the Circuit Judges of the Ninth Judicial Circuit of Florida and three attorneys at law licensed to practice law in Florida and who are residents of Seminole County. The Seminole County Board of County Commissioners selects and appoints the members of the Board of Trustees who are attorneys at law.

The financial statements of the Fred R. Wilson Memorial Law Library have been prepared in accordance with the accounting principles and reporting guidelines established by the Governmental Accounting Standards Board, and adopted by the American Institute of Certified Public Accountants.

The Library's financial statements are combined, with those of the Board of County Commissioners and elected officials, into the reporting entity of Seminole County, Florida. In accordance with U.S. generally accepted accounting principles, the Library has determined that there are no potential component units that it must include within its financial statements.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e. the Statement of Net Assets and the Statement of Activities) report information on all of the activities of the Library. The Library has only governmental activities and does not engage in any business-type activities. Program revenues include charges for copy machine and the sale of packaged legal forms. General revenues represent amounts received from Seminole County filing fees and other local sources. The Library has only one fund, the general fund, for which the fund financial statements are presented.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Library considers revenues to be available if they are collected within 60 days of the end of the current period. Expenditures generally are recorded when a liability is incurred, as under the accrual basis of accounting. Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

The Library reports the following major governmental funds:

General Fund – accounts for all financial resources not required to be accounted for in another fund of which there are none.

Budgetary Requirement

Budgets are prepared and adopted annually for the general fund as set forth in the Florida Statutes. The Library is not required to submit its budget to any regulatory agencies.

FRED R. WILSON MEMORIAL LAW LIBRARY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued:

Budgetary Requirement - continued

Appropriations are controlled at the object level (i.e. salaries, purchased services, capital outlay) and may be amended by the Board of Trustees at any time prior to the due date of the annual financial report. Budgets are prepared using the same modified accrual basis of accounting as is used to account for actual transactions.

Cash and Cash Equivalents

The Library's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. The Library currently holds \$204 collectively in petty cash and cash drawers.

The Library invests public funds in a manner so as to place the highest priority on the safety of principal and liquidity. The optimization of investment returns is secondary to the requirements for safety and liquidity.

Cash and cash equivalents are carried at cost. The Library's deposits are categorized to give an indication of the level of custodial credit risk assumed at year end. At present, the Library's excess funds are primarily deposits that are insured or collateralized pursuant to the Public Depository Security Act of the State of Florida. Demand deposits and money market accounts are insured by federal depository insurance up to \$250,000 of the aggregate account balances for each entity. Amounts in excess of \$250,000 are fully insured by U.S. Government securities held in the Public Deposit Security Trust Fund maintained and monitored by the Treasurer of the State of Florida. Demand deposits and cash on deposit bank balances (before intransit items) at September 30, 2018 was approximately \$217,000.

Capital Assets

Capital assets consist of building improvements, furniture, fixtures and equipment. Capital assets purchased in the governmental fund are recorded as expenditures at time of purchase. Such assets are recorded at historical cost or estimated historical cost if donated or constructed. Capital assets are defined as assets with a cost typically in excess of \$500 or more. Donated capital assets are recorded at fair market value at the date of donation. Depreciation has been provided on capital assets as a direct charge using the straight line method over the estimated useful lives of the various assets, which range from 3-20 years.

Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts and disclosures. Actual results may differ from those estimates.

Prepaid Expense

Represents both electronic and hardcopy book subscriptions purchased and paid for a future operating period.

FRED R. WILSON MEMORIAL LAW LIBRARY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued:

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

The deferred outflows related to pensions are an aggregate of items related to pensions as calculated in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. The deferred outflows related to pensions will be recognized as either pension expense or a reduction in the net pension liability in future reporting years. Details on the composition of the deferred outflows related to pensions are further discussed in Note 3.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

The deferred inflows related to pensions are an aggregate of items related to pensions as calculated in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. The deferred inflows related to pensions will be recognized as a reduction to pension expense in future reporting years. Details on the composition of the deferred outflows related to pensions are further discussed in Note 3.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Florida Retirement System Pension Plan (FRS) and Health Insurance Subsidy Program (HIS) and additions to/deductions from the FRS and HIS fiduciary net position have been determined on the same basis as they are reported by FRS and HIS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Fair Value of Financial Instruments

The Library's financial instruments include cash and cash equivalents and receivables. The carrying amounts of these financial instruments have been estimated by management to approximate fair value.

NOTE 2 – FUND BALANCE

In accordance with GASB 54, the Library is required to report fund balance amounts in five classifications – nonexpendable and the spendable categories of restricted, committed, assigned, and unassigned, as follows:

Nonspendable

Includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual requirements. The Library had a nonspendable fund balance of \$3,890 in its general fund.

**FRED R. WILSON MEMORIAL LAW LIBRARY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 2 – FUND BALANCE - continued

Restricted

Amounts that are constrained for specific purposes which are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments. The Library had no restricted fund balance at September 30, 2018.

Committed

Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action by the Library's highest level of decision-making authority. The Library's Board of Trustees addresses these commitments through formal board action prior to the Library's fiscal year end. The Library had no committed fund balances at September 30, 2018.

Assigned

Amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Assignments can be made by the Trustees. The Library had no assigned fund balance amounts at September 30, 2018.

Unassigned

Includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balances may also include negative fund balances for any other governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The Library's policy is to first spend restricted funds when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this. Additionally, the Library's policy is to spend funds in the following order: committed, assigned, and unassigned.

The Library does not have a formal minimum fund balance policy, nor has it established any stabilization arrangements within fund balances.

NOTE 3 – RECONCILIATION OF GOVERNMENT- WIDE AND FUND FINANCIAL STATEMENTS

Adjustments were made to include capital assets (net of accumulated depreciation) on the statement of net position. The resulting difference between governmental fund balances and total net position is as follows:

Ending fund balance	\$ 212,209
Net Pension - GASB 68	<u>(50,933)</u>
Total net position	<u>\$ 161,276</u>

Adjustments were made to include depreciation expense and capital outlay. The resulting difference between "excess revenues over expenditures" and "changes in net position" is as follows:

Excess (deficiency) of revenues over expenditures	\$ (17,484)
Pension Expense - GASB 68	(6,241)
Less: depreciation expense	<u>(290)</u>
Change in net position	<u>\$ (24,015)</u>

**FRED R. WILSON MEMORIAL LAW LIBRARY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 4 – CAPITAL ASSETS

A summary of changes in capital assets during the fiscal year:

	Balance Sept. 30, 2017	Increase	Decrease	Balance Sept. 30, 2018
Capital assets:				
Leasehold improvements	\$ 2,515	\$ -	\$ -	\$ 2,515
Furniture, fixtures and equipment	57,297	-	-	57,297
	<u>59,812</u>	<u>-</u>	<u>-</u>	<u>59,812</u>
Less accumulated depreciation:				
Leasehold improvements	2,515	-	-	2,515
Furniture, fixtures and equipment	57,007	290	-	57,297
	<u>59,522</u>	<u>290</u>	<u>-</u>	<u>59,812</u>
Total capital assets, net	<u>\$ 290</u>	<u>\$ (290)</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 5 – EMPLOYEE BENEFIT PLANS

Pension

The Library participated in two defined benefit pension plans that are administered by the State of Florida, Department of Management Services, Division of Retirement. The plans provide retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the plans. That report may be obtained by writing to the Division of Retirement, PO Box 9000, Tallahassee, Florida, 32315-9000 or by calling (850) 488-6491.

The Florida Retirement System (FRS) Pension Plan is a cost-sharing, multiple-employer qualified defined benefit pension plan with a Deferred Retirement Option Program (DROP) available for eligible employees. The FRS was established and is administered in accordance with Chapter 121, Florida Statutes. Retirees receive a lifetime pension benefit with joint and survivor payment options. FRS membership is compulsory for employees filling regularly established positions in a state agency, county agency, state university, state community college, or district school board, unless restricted from FRS membership under Sections 121.053 and 121.122, Florida Statutes, or allowed to participate in a defined contribution plan in lieu of FRS membership. Participation by cities, municipalities, special districts, charter schools and metropolitan planning organizations is optional.

The Retiree Health Insurance Subsidy (HIS) Program is a cost-sharing, multiple employer defined benefit pension plan established and administered in accordance with Section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. To be eligible to receive a HIS benefit, a retiree under one of the state administered retirement systems must provide proof of eligible health insurance coverage, which can include Medicare.

**FRED R. WILSON MEMORIAL LAW LIBRARY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 5 – EMPLOYEE BENEFIT PLANS – continued

FRS members are eligible for retirement after vesting, which may occur at six (6) years of creditable service for regular members. Normal retirement age is attained at the earlier of thirty (30) years of creditable service, regardless of age or retirement at age 62 with at least six (6) years of creditable service. Early retirement may be taken anytime; however, there is a five-percent (5%) benefit reduction for each year prior to normal retirement age (less than thirty (30) years of service or 62 years of age) for regular members. Members are also eligible for in-line-of-duty or regular disability benefits if permanently disabled and unable to work. Benefits are computed on the basis of age, average final compensation and service credit.

Funding Policy / Contributions

The FRS has nine (9) classes of membership. Only one (1) class is applicable to the Library's eligible employees. The class, with descriptions and contribution rate in effect during the period ended September 30, 2018, are as follows:

Regular Class -

FRS Class - Members not qualifying for other classes; 7.92% rate October 1, 2017 to June 30, 2018 and 8.26% rate July 1, 2018 to September 30, 2018. (One employee.)

Deferred Retirement Option Program (DROP) – 13.26% rate October 1, 2017 to June 30, 2018 and 14.03% rate July 1, 2018 to September 30, 2018. (One employee.)

Contributions are based on an actuarial review by FRS. The Library's contributions for the three (3) years ended September 30, 2018, 2017 and 2016 were made in accordance with actuarially determined contribution requirements and amounted to approximately, \$8,685, \$5,544, and \$5,240, representing approximately 12%, 8% and 7%, respectively, of covered payroll. FRS members are to make a pretax contribution of 3% of gross salary toward their pension. Drop members do not make a contribution. Contribution rates are in agreement with the actuarially determined rates.

Benefits Provided

Benefits under the FRS Pension Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average final compensation of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned.

Eligible retirees and beneficiaries receive monthly HIS payments equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to Section 112.363, Florida Statutes.

**FRED R. WILSON MEMORIAL LAW LIBRARY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 5 – EMPLOYEE BENEFIT PLANS – continued

Benefits Provided - continued

Actuarial Assumptions

The total pension liability for each of the defined benefit plans was determined by an actuarial valuation as of July 1, 2018, using the entry age normal actuarial cost method and the following significant actuarial assumptions:

	<u>FRS</u>	<u>HIS</u>
Inflation	2.60%	2.60%
Payroll growth	3.25%	3.25%
Investment rate of return	7.0%	3.87%

Mortality assumptions for both plans were based on the Generational RP-2000 with Projections Scale BB tables.

Actuarial assumptions for both cost-sharing defined benefit plans are reviewed annually by the Florida Retirement System Actuarial Assumptions Conference. The FRS Pension Plan has a valuation performed annually. The HIS Program has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the FRS Pension Plan was completed in 2014 for the period July 1, 2008, through June 30, 2013. Because the HIS Program is funded on a pay-as-you-go basis, no experience study has been completed for this program. The actuarial assumptions that determined the total pension liability for the HIS Program were based on certain results of the most recent experience study for the FRS Pension Plan.

The following changes in actuarial assumptions occurred in 2016:

FRS: There were no changes in actuarial assumption. The inflation rate assumption remained at 2.6%, the real payroll growth assumption remained at 0.65%, and the overall payroll growth rate assumption remained at 3.25%. The long-term expected investment rate decreased from 7.1% to 7.0%.

HIS: The municipal rate used to determine the total pension liability increased from 3.58% to 3.87%.

Pension Liabilities and Pension Expense

At September 30, 2018, the Library reported a liability for its proportionate shares of the net pension liability. The net pension liability for the FRS Pension Plan was measured as of July 1, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated July 1, 2018. The HIS actuarial valuation was prepared as of July 1, 2018, and update procedures were used to determine liabilities as of July 1, 2018. The Library's proportions of the net pension liabilities were based on the Library's share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

	<u>FRS</u>	<u>HIS</u>	<u>Total</u>
Net pension liability at September 30, 2017	\$ 35,792	\$ 24,294	\$ 60,086
Net pension liability at September 30, 2018	\$ 58,830	\$ 23,667	\$ 82,497
Proportion at:			
June 30, 2017	0.00000121002	0.00000227209	
June 30, 2018	0.00000195317	0.00000223609	
Pension expense (benefit), year ended			
September 30, 2017	\$ 4,216	\$ 1,328	\$ 5,544
September 30, 2018	\$ 7,364	\$ 1,321	\$ 8,685

**FRED R. WILSON MEMORIAL LAW LIBRARY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 5 – EMPLOYEE BENEFIT PLANS – continued

Benefits Provided – Continued

Deferred Outflows/Inflows of Resources Related to Pensions

At September 30, 2018, the Library reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	FRS		HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,984	\$ (287)	\$ -	\$ (63)
Changes of assumptions	19,223	106	2,632	(2,492)
Net difference between projected and actual earnings on pension plan investments	10,023	(14,420)	14	374
Changes in proportion and differences between employer contributions and proportionate share of contributions	11,257	(810)	354	(1,255)
Library contributions subsequent to the measurement date	1,604	-	320	-
Total	\$ 47,091	\$ (15,411)	\$ 3,320	\$ (3,436)

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension expense will be recognized as follows:

Year ending September 30,	FRS	HIS
	Expense	Expense
2019	\$ 7,548	\$ 326
2020	5,151	324
2021	718	227
2022	3,430	51
2023	2,293	(317)
Thereafter	341	(145)
Total	\$ 19,481	\$ 466

To develop an analytical basis for the selection of the long-term expected rate of return assumption, the FRS Actuarial Assumptions Conference reviewed long-term assumptions developed by both the FRS actuary's capital market assumptions team and by a capital market assumptions team from consultants to the State Board of Administration.

**FRED R. WILSON MEMORIAL LAW LIBRARY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 5 – EMPLOYEE BENEFIT PLANS – continued

Benefits Provided - continued

Deferred Outflows/Inflows of Resources Related to Pensions

The table below summarizes the key assumptions for each of the asset classes in which the plan was invested at that time based on the long-term target allocation. The allocation policy's description of each asset class was used to map the target allocation to the asset classes below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market model.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1%	2.9%	2.9%	1.8%
Fixed income	18%	4.4%	4.3%	4.0%
Global equity	54%	7.6%	6.3%	17.0%
Real estate (property)	11%	6.6%	6.0%	11.3%
Private equity	10%	10.7%	7.8%	26.5%
Strategic investments	6%	6.0%	5.7%	8.6%
	<u>100%</u>			
Assumed inflation - mean			2.6%	1.9%

Discount rate

The discount rate used to measure the total pension liability for FRS was 7.0%. FRS' 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 calculating the total pension liability is equal to the long-term expected rate of return.

Because the HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 3.87% was used to determine the total pension liability for the program. The Bond Buyer General Obligation Bond 20-Bond Municipal Bond Index was used as the applicable municipal bond index.

Sensitivity Analysis

The following tables demonstrate the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the Library's proportionate share of the net pension liability if the discount rate was 1% higher or 1% lower than the current discount rate.

	<u>FRS</u>			<u>HIS</u>		
	<u>Current Discount</u>			<u>Current Discount</u>		
	1% Decrease (6.0%)	Rate (7.0%)	1% Increase (8.0%)	1% Decrease (2.87%)	Rate (3.87%)	1% Increase (4.87%)
Library's proportionate share of the net pension liability	\$ 66,472	\$ 58,830	\$ 52,483	\$ 26,885	\$ 23,667	\$ 20,988

**FRED R. WILSON MEMORIAL LAW LIBRARY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 5 – EMPLOYEE BENEFIT PLANS – continued

Benefits Provided – continued

Pension Plans' Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the State's separately issued financial reports.

Payables to the Pension Plans

As of September 30, 2018, the Library did not have an outstanding payable to the plans for regular employee and employer contributions that were legally required to be paid to the plans but not remitted prior to the end of the year.

NOTE 6 – OCCUPANCY COSTS

The Library's facilities are located in an office provided by Seminole County. Space, utilities and other related costs are provided by the County at no cost to the Library. These costs and the related in-kind contribution have not been recorded in the accompanying financial statements.

NOTE 7 – CONCENTRATIONS OF CREDIT RISK

The Library's principal source of revenues is provided by the Seminole County Board of Commissioners. Thus, the Library is subject to changes in government policy and funding allocations. In the event that the County discontinues and/or significantly reduces its funding, the Library would have to find alternate funding to achieve current program goals or reduce future program goals.

NOTE 8 – RISK MANAGEMENT

The Library is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; injuries to employees and natural disasters for which the Library carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

NOTE 9 – OPERATING LEASE AND COMMITMENTS

The Library has entered into a copier lease agreement and related copier maintenance agreement that expires June 2021. Under this and the prior agreement, the Library incurred expenses of approximately \$3,900 during the year ended September 30, 2018. The approximate minimum lease payments for the remaining fiscal years ending September 30 are as follows:

	Minimum Annual Payment
2019	3,900
2020	3,900
2021	1,900
	\$ 9,700

REQUIRED SUPPLEMENTARY INFORMATION

**Fred R. Wilson Memorial Law Library
Required Supplementary Information
September 30, 2018**

**Schedule of Proportionate Share of Net Pension Liability of
Florida Retirement System (FRS)
Last 10 Fiscal Years***

	2018	2017	2016	2015	2014
Library's proportion of the net pension liability (asset)	0.000195317%	0.000121002%	0.000122172%	0.000131340%	0.000130507%
Library's proportionate share of the net pension liability	\$ 58,830	\$ 35,792	\$ 30,849	\$ 16,964	\$ 7,963
Library's covered-employee payroll	\$ 73,034	\$ 72,422	\$ 73,585	\$ 70,449	\$ 69,820
Library's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	80.55%	49.42%	41.92%	24.08%	11.41%
Plan fiduciary net position as a percentage of the total pension liability	84.26%	83.89%	84.88%	92.00%	96.09%

**Schedule of Proportionate Share of Net Pension Liability of
Health Insurance Subsidy (HIS)
Last 10 Fiscal Years***

	2018	2017	2016	2015	2014
Library's proportion of the net pension liability (asset)	0.000223609%	0.000227209%	0.000235730%	0.000229261%	0.000234093%
Library's proportionate share of the net pension liability	\$ 23,667	\$ 24,294	\$ 27,473	\$ 23,381	\$ 21,888
Library's covered-employee payroll	\$ 73,034	\$ 72,422	\$ 73,585	\$ 70,449	\$ 69,820
Library's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	32.41%	33.55%	37.34%	33.19%	31.35%
Plan fiduciary net position as a percentage of the total pension liability	2.15%	1.64%	0.97%	0.50%	0.99%

* The amounts presented for each fiscal year were determined as of 6/30.

Note 1: GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, the Library is presenting information for only those years for which information is available.

Note 2: The Plan's fiduciary net position as a percentage of the total pension liability is published in Note 4 of the Plan's Comprehensive Annual Financial Report.

**Fred R. Wilson Memorial Law Library
Required Supplementary Information
September 30, 2018**

**Schedule of Contributions of
Florida Retirement System (FRS)
Last 10 Fiscal Years***

	2018	2017	2016	2015	2014
Contractually required contribution	\$ 7,364	\$ 4,216	\$ 4,018	\$ 3,143	\$ 4,707
Contributions in relation to the contractually required	\$ (7,364)	\$ (4,216)	\$ (4,018)	\$ (3,143)	\$ (4,707)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Library's covered-employee payroll	\$ 73,034	\$ 72,422	\$ 73,585	\$ 70,449	\$ 69,820
Contributions as a percentage of covered-employee payroll	10.08%	5.82%	5.46%	4.46%	6.74%

**Schedule of Contributions of
Health Insurance Subsidy (HIS)
Last 10 Fiscal Years***

	2018	2017	2016	2015	2014
Contractually required contribution	\$ 1,321	\$ 1,328	\$ 1,222	\$ 948	\$ 893
Contributions in relation to the contractually required	\$ (1,321)	\$ (1,328)	\$ (1,222)	\$ (948)	\$ (893)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Library's covered-employee payroll	\$ 73,034	\$ 72,422	\$ 73,585	\$ 70,449	\$ 69,820
Contributions as a percentage of covered-employee payroll	1.81%	1.83%	1.66%	1.35%	1.28%

* The amounts presented for each fiscal year were determined as of 6/30.

Note 1: GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, the Library is presenting information for only those years for which information is available.

SUPPLEMENTARY INFORMATION

**FRED R. WILSON MEMORIAL LAW LIBRARY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Support from Seminole County, Florida	\$ 108,750	\$ 108,750	\$ -
Interest	1,385	1,385	-
Donations and miscellaneous	1,414	972	(442)
Program revenues:			
Copy machine and other charges	27,968	29,050	1,082
 Total revenues	 139,517	 140,157	 640
 EXPENDITURES:			
Current:			
Salaries	72,422	73,034	612
Retirement	5,544	8,685	3,141
Insurance	3,500	2,395	(1,105)
Professional fees	7,404	8,809	1,405
Copy machine lease and maintenance	3,168	3,975	807
Office expense and supplies	1,758	1,573	(185)
Payroll and other taxes	5,540	5,587	47
Books and publications	55,644	53,378	(2,266)
Dues and district tax	175	205	30
 Total expenditures	 155,155	 157,641	 2,486
 Excess (deficiency) of revenues over expenditures	 (15,638)	 (17,484)	 (1,846)
 Fund balance - beginning of year	 229,693	 229,693	 -
 Fund balance - end of year	 \$ 214,055	 \$ 212,209	 \$ (1,846)



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

Board of Trustees
Fred R. Wilson Memorial Law Library
Sanford, 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, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Fred R. Wilson Memorial Law Library ("Library") as of and for the year ended September 30, 2018 and the related notes to the financial statements, which collectively comprise the Library's basic financial statements and have issued our report thereon dated February 1, 2019.

Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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.

Robert Kimelman, CPA
Thomas J. Frank, CPA

William T. Royster, CPA (Retired)
Jack I. Greene, CPA (Deceased)
James R. Dycus, CPA (Deceased)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Library'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 however, we noted on other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of Auditors' Findings and Recommendations.

Response to Findings

The Library's response to the findings identified in our audit is described in the accompanying schedule of findings and recommendations. The Library's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.

Greene Dupuis & Co.

Professional Association
Certified Public Accountants
Sanford, Florida
February 1, 2019



**FRED R. WILSON MEMORIAL LAW LIBRARY
INDEPENDENT AUDITORS' MANAGEMENT LETTER
SEPTEMBER 30, 2018**

Board of Trustees
Fred R. Wilson Memorial Law Library
Sanford, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the Fred R. Wilson Memorial Law Library (the "Library"), a component unit of Seminole County, Florida, which comprise the statement of net position and Governmental Fund Revenues, Expenditures and Changes in Fund Balance / Statement of Activities as of and for the year ended September 30, 2018, and have issued our report thereon dated February 1, 2019.

Auditors' Responsibility

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

Other Reports and Schedule

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in those reports and schedule, which are dated February 1, 2019, should be considered in conjunction with this management letter.

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, Fred R. Wilson Memorial Law Library Trustees and management, and is not intended to be and should not be used by anyone other than these specified parties.

Greene Dycus & Co.

Professional Association
Certified Public Accountants
Sanford, Florida
February 1, 2019

Robert Kimelman, CPA
Thomas J. Frank, CPA

William T. Royster, CPA (Retired)
Jack I. Greene, CPA (Deceased)
James R. Dycus, CPA (Deceased)

**FRED R. WILSON MEMORIAL LAW LIBRARY
INDEPENDENT AUDITORS' MANAGEMENT LETTER (CONTINUED)
SEPTEMBER 30, 2018**

ITEM 1 – Improve Knowledge of Internal Control over Financial Reporting

The person responsible for the accounting and reporting function lacks the skills and knowledge to apply generally accepted accounting principles in recording the entity's financial transactions or preparing its financial statements. We believe that this situation exists at the Library for the year ended September 30, 2018. The basis for this control issue is that the auditor cannot be considered part of the Library's internal control (i.e., cannot be substituted for elements within the Library's internal control system.)

We bring this condition to your attention in accordance with professional standards, but we recognize that it requires your assessment of a cost effective solution. Alternative solutions might include training accounting staff, hiring additional staff or engaging outside consultants or obtaining assistance from knowledgeable volunteers to prepare financial statements in accordance with generally accepted accounting principles.

This is a repeat comment from since September 30, 2011.

ITEM 2 – Internal Control

The study and evaluation of internal control disclosed that one person has the primary responsibility for most of the financial administration and financial duties. As a result, many of those aspects of internal control which rely upon an adequate segregation of duties are, for all practical purposes, missing in the Library. We recognize that the library is not large enough to make the employment of additional people cost effective for the purpose of segregating duties. We also recognize that this condition is quite common in many small organizations. Increased involvement of the Board of Trustees such as reviewing and signing all disbursement checks compensates to a degree for the absence of adequate segregation of duties. We also recommend that a Trustee open and review all bank statements, reconciliations and unfavorable budget variances.

This is a repeat comment from September 30, 2011.

ITEM 3 – Electronic Cash Disbursements

The Library uses the SunTrust online bill pay portal. It has been noted that this system does not require Trustee approval to safeguard payment against improper amounts and unauthorized vendors. Unauthorized payments could be detected by Trustee review of financial documents, but this would be after the fact. We recommend that the Library institute a Trustee approval step prior to electronically disbursing the funds.

This is a repeat comment from September 30, 2014.

ITEM 4 – Approve and Sign the Minutes of Board Meetings

Our review of the minutes of the meetings of the Board of Trustees disclosed that several had not been signed by the presiding trustees. We recommend that all minutes be formally approved at the subsequent Board meeting and appropriately signed as an indication of approval.

This is a repeat comment from September 30, 2017.

**FRED R. WILSON MEMORIAL LAW LIBRARY
INDEPENDENT AUDITORS' MANAGEMENT LETTER (CONTINUED)
SEPTEMBER 30, 2018**

ITEM 5 – Enhance Financial Position of Library

The Library has been spending more than it has been earning. In addition, funding from Seminole County has been decreasing. The Library must reduce costs or find ways to generate additional revenue to continue operating beyond the foreseeable future.

Managements Response to Findings

The Board and Management of the Library have determined from a cost/benefit analysis, that it is not practical to expend funds to employ additional personnel to correct these deficiencies. The following actions have been taken by management to mitigate the deficiencies:

- The Board pre-approves all disbursements of funds.
- A board member approves the specific disbursement by signing the invoice.
- All purchase commitments are approved by the Board.
- The Board approves employee salary levels, bonuses, raises and benefits.
- The Board pre approves all titles of professional publications and subscriptions.
- The Board reviews the budget vs actual expenditures on a periodic basis.
- The Board reviews cash balances on a periodic basis.
- The Board engages a CPA to compile quarterly financial statements
- The Board reviews and approves the compiled financial statements.
- Each board member receives all monthly bank statements to review.

In addition:

- The Library maintains modified cash basis financial statements and would receive no management or economic benefit to maintaining their internal financial statements on the accrual basis.
- The Library has engaged their Auditors to assist in the preparation of the year-end financial statements and required notes and other required information. The only benefit The Library would realize from having the internal expertise to produce these statements would be to remove this finding.
- The minutes of the Board meetings will be timely signed and approved in the future.
- All bills paid have an approval from a Board member who initials the bills before being paid. The bills paid electronically match the billing statements.
- All minutes are signed no later than the next board meeting.

**FRED R. WILSON MEMORIAL LAW LIBRARY
INDEPENDENT AUDITORS' MANAGEMENT LETTER (CONTINUED)
SEPTEMBER 30, 2018**

Other Matters

Our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which governs the conduct of local governmental entity audits performed in the State of Florida.

- 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. The recommendations made on the preceding page are repeat comments.
- Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the Library complied with Section 218.415, Florida Statutes.
- Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we have noted such recommendations on the preceding page.
- Section 10.554(1)(i)5., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The Library was formed July 1, 1959. The Library does not have any component units.
- Pursuant to Sections 10.554(1)(i)6.c. and 10.556(7), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the Library'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.
- The Library is not required to file a separate financial report with the Department of Financial Services because it is a component unit of Seminole County and is included in the County's filing.
- The auditors applied financial condition assessment procedures per Auditor General Rule 10.556(8). It is management's responsibility to monitor the Library'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 the same.
- The Library did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

STATUS OF PRIOR YEAR COMMENTS

See Item 1 and 2 on Independent Auditors' Management Letter.

Greene, Dycus & Co., P.A. Certified Public Accountants

205 North Elm Ave., Sanford, FL 32771

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Member: Florida Institute of Certified Public Accountants



**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH
FLORIDA STATUTES 218.415 – INVESTMENTS OF PUBLIC FUNDS**

Board of Trustees
Fred R. Wilson Memorial Law Library
Sanford, Florida

We have examined the Fred R. Wilson Memorial Law Library's (the Library) compliance with Section 218.415, Florida Statutes during the fiscal year ended September 30, 2018. Management is responsible for the Library's compliance with those requirements. Our responsibility is to express an opinion on the Library's compliance based on our examination.

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

In our opinion, the Fred R. Wilson Memorial Law Library complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2018.

This report is intended solely for the information and use of the Florida Auditor General, management, and the Board of Trustees of the Fred R. Wilson Memorial Law Library, and is not intended to be and should not be used by anyone other than these specified parties.

Greene Dycus & Co.

Professional Association
Certified Public Accountants
Sanford, Florida
February 1, 2019

Robert Kimelman, CPA
Thomas J. Frank, CPA

William T. Royster, CPA (Retired)
Jack I. Greene, CPA (Deceased)
James R. Dycus, CPA (Deceased)