

**FORT MYERS BEACH MOSQUITO
CONTROL DISTRICT**

September 30, 2019

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

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Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities of the Fort Myers Beach Mosquito Control District, (the "District") as of and for the fiscal year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion.

Auditor's Responsibility, continued

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities of the District as of September 30, 2019, and the respective changes in financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters - Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated June 9, 2020, 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.

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

Punta Gorda, Florida
June 9, 2020

**MANAGEMENT'S
DISCUSSION & ANALYSIS**

**Fort Myers Beach Mosquito Control District
Management's Discussion and Analysis
September 30, 2019**

Our discussion and analysis of the Fort Myers Beach Mosquito Control District's financial performance provides an overview of the District's financial activities for the fiscal year ended September 30, 2019.

FINANCIAL HIGHLIGHTS

- The net position of the District at the close of its most recent fiscal year was \$48,884.
- As of the close of the fiscal year 2019, the District reported ending fund balance of \$138,368, a decrease of \$103,254 from the prior year. This amount is available for spending at the District's discretion.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

THE FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities

Government-wide financial statements are intended to allow the reader to assess a government's operational accountability. Operational accountability is defined as the extent to which the government has met its operating objectives efficiently and effectively, using all resources available for that purpose, and whether it can continue to meet its objectives for the foreseeable future. For purposes of these statements, only governmental type activities are measured and reported using the economic resource measurement focus and the accrual basis of accounting.

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

**Fort Myers Beach Mosquito Control District
Management's Discussion and Analysis
September 30, 2019**

THE FINANCIAL STATEMENTS, CONTINUED

Fund Financial Statements

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

Notes to the Financial Statements

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The government-wide financial statements were designed so that the user could determine if the District is in a better or worse financial condition from the prior year. The following is a condensed summary of net position for the District for fiscal years 2019 and 2018.

Summary of Net Position
Fiscal Year Ended September 30,

	2019	2018
Assets		
Current and Other Assets	\$ 138,368	\$ 244,497
Capital Assets	63,847	41,559
Total Assets	202,215	286,056
Deferred Outflows of Resources	85,506	72,757
Total Assets and Deferred Outflows of Resources	287,721	358,813
Liabilities		
Current and Other Liabilities	-	2,875
Long-Term Liabilities	176,316	156,338
Total Liabilities	176,316	159,213
Deferred Inflows of Resources	62,521	43,945
Total Liabilities and Deferred Inflows of Resources	238,837	203,158
Net Position		
Invested in Capital Assets, Net of Related Debt	63,847	41,559
Unrestricted	(14,963)	114,096
Total Net Position	\$ 48,884	\$ 155,655

**Fort Myers Beach Mosquito Control District
Management's Discussion and Analysis
September 30, 2019**

Investment in capital assets totaled \$63,847, which represents 130.61 percent of total net position and is comprised of land, building and improvements, vehicles, seawalls, and furniture, fixtures and equipment, net of accumulated depreciation.

The following schedule reports the revenues, expenses, and changes in net position for the District for the 2019 and 2018 fiscal years:

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

	2019	2018
Revenues		
Ad Valorem taxes	\$ 221,527	\$ 374,124
Miscellaneous Revenue	429	-
Interest earnings	23	28
Total Revenues	221,979	374,152
Expenses		
Physical Environmental Services	328,757	309,157
Total Expenses	328,757	309,157
Increase in Net Position	(106,778)	64,995
Net Position – Beginning	155,662	90,667
Net Position – Ending	\$ 48,884	\$ 155,662

The District's Board of Commissioners approved a budget decreasing the millage rate to \$0.0575, which is estimated to result in an decrease of ad-valorem revenues of approximately \$141,928.

**Fort Myers Beach Mosquito Control District
Management's Discussion and Analysis
September 30, 2019**

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The following table provides a summary of net capital assets.

	2019	2018
Land	\$ 5,000	\$ 5,000
Buildings	46,522	42,572
Seawall	40,952	40,952
Motor Vehicles	97,656	67,405
Equipment	24,262	24,262
Total assets	214,392	180,191
Less: Accumulated depreciation	(150,545)	(138,632)
Total assets, net of depreciation	\$ 63,847	\$ 41,559

Debt

At September 30, 2019, the District's outstanding debt was comprised of accrued compensated absences in the amount of \$5,083, consistent with the prior year, and net pension liability in the amount of \$171,233.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND MILLAGE RATE

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

When preparing the District's budget for the 2019-2020 fiscal year, the Board of Commissioners adopted the millage rate of 0.0999 mills per \$1,000 which is a 73.74 percent increase from the 2018-2019 millage rate of \$0.0575.

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

Request for Information

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

**BASIC
FINANCIAL STATEMENTS**

Fort Myers Beach Mosquito Control District
Statement of Net Position
September 30, 2019

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

Current assets:	
Cash and cash equivalents	\$ 124,305
Taxes receivable	1,615
Inventory of chemicals, at cost	<u>12,448</u>
Total current assets	<u>138,368</u>
Noncurrent assets:	
Capital assets:	
Land	5,000
Buildings and improvements	46,522
Seawall	40,952
Motor vehicles	97,656
Furniture, fixtures, and equipment	24,262
Less accumulated depreciation	<u>(150,545)</u>
Total noncurrent assets (net)	<u>63,847</u>
Total assets	<u>202,215</u>
Deferred outflows of resources	<u>85,506</u>
Total assets and deferred outflows of resources	<u>287,721</u>

LIABILITIES AND DEFERRED INFLOWS OF RESOURCES

Noncurrent liabilities:	
Net pension liability	171,233
Accrued compensated absences	<u>5,083</u>
Total noncurrent liabilities	<u>176,316</u>
Total liabilities	<u>176,316</u>
Deferred inflows of resources	<u>62,521</u>
Total liabilities and deferred inflows of resources	<u>238,837</u>

NET POSITION

Invested in capital assets	63,847
Unrestricted	<u>(14,963)</u>
Total net position	<u>\$ 48,884</u>

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

Fort Myers Beach Mosquito Control District
Statement of Activities
For the fiscal year ended September 30, 2019

Function	Expenses	Charges for Services	Net Expenses and Changes in Net Position
Physical environment services	\$ 328,757	\$ -	\$ (328,757)
		General Revenues:	
		Ad-Valorem taxes	221,527
		Miscellaneous Revenue	429
		Interest earnings	23
		Total general revenue and special items	221,979
		Change in net position	(106,778)
		Net position - beginning, October 1, 2018	155,662
		Net position - ending, September 30, 2019	\$ 48,884

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

Fort Myers Beach Mosquito Control District
Balance Sheet
September 30, 2019

ASSETS

Cash and cash equivalents	\$ 124,305
Taxes receivable	1,615
Inventory of chemicals, at cost	<u>12,448</u>
Total assets	<u><u>\$ 138,368</u></u>

FUND BALANCE

Unassigned	<u>\$ 138,368</u>
Total fund balance	<u><u>\$ 138,368</u></u>

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

Fort Myers Beach Mosquito Control District
Reconciliation of the Balance Sheet to the Statement of Net Position
September 30, 2019

Fund Balance	\$	138,368
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.		22,985
Capital assets used in governmental activities are not financial resources and are therefore not reported on the balance sheet		63,847
Liabilities that are not due within the current period are not reflected as liabilities on the fund financial statements, however, the following liabilities are reflected on the statement of net position:		
Compensated absences		(5,083)
Net pension liability		<u>(171,233)</u>
Net Position	\$	<u><u>48,884</u></u>

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

Fort Myers Beach Mosquito Control District
Statement of Revenues, Expenditures and Changes in Fund Balance
For the fiscal year ended September 30, 2019

Revenues:		
Ad Valorem taxes	\$	221,527
Miscellaneous Revenue		429
Interest earnings		23
Total revenues		221,979
Expenditures:		
Current		
Physical environment services		
Personal services		186,173
Operating expenditures		104,859
Capital outlay		34,201
Total expenditures		325,233
Excess of expenditures over (under) revenues		(103,254)
Net change in fund balance		(103,254)
Fund balance, October 1, 2018		241,622
Fund balance, September 30, 2019	\$	138,368

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

**Fort Myers Beach Mosquito Control District
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balance to the Statement of Activities
For the fiscal year ended September 30, 2019**

Net change in fund balance \$ (103,254)

The increase in pension expense is reported in the Statement of Activities, but does not require a use of current financial resources and is not reported as an expenditure in the fund financial statements. (26,162)

In the statement of activities, changes in compensated absences is measured by the amounts earned during the year. However, in the governmental funds, expenditures for these items are measured by the amount of financial resources used. This amount represents the decrease in the accrual of compensated absences. 350

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

Depreciation expense	(11,913)	
Capital outlay expenditure	34,201	
	34,201	22,288

Change in net position \$ (106,778)

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

Fort Myers Beach Mosquito Control District
Notes to the Financial Statements
September 30, 2019

1. Summary of Significant Accounting Policies:

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

Organization and Nature of Activities: The Fort Myers Beach Mosquito Control District (the "District") is an independent special district created by the Laws of Florida. The District was created by a referendum election on July 12, 1949, under Chapter 390, superseded by Chapter 388, to perform mosquito control and elimination on Fort Myers Beach, Florida. Codification was received on May 25, 2001 under Chapter 2001-335, House Bill 1041. The powers and duties of the District are set forth in Chapter 388, Florida Statutes. The business and affairs of the District are governed by a board of three commissioners who are elected for terms of four years.

Summary of Significant Accounting Policies: The following is a summary of the significant accounting policies used in the preparation of these basic financial statements.

Reporting Entity: The District has adopted Governmental Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis - for State and Local Governments. Statement 34 establishes standards for external financial reporting for all state and local governmental entities. This statement requires the financial statements of the District (the primary government) to include its component units, if any. A component unit is a legally separate organization for which the elected officials of the primary government are financially accountable. Based on the criteria established in GASB 14, there are no component units included in the District's financial statements.

Government-wide Financial Statements: The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the activities of the District and do not emphasize fund types. These governmental activities comprise the primary government. General governmental and intergovernmental revenues support the governmental activities. The purpose of the government-wide financial statements is to allow the user to be able to determine if the District is in a better or worse financial position than the prior year.

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement Number 33, "Accounting and Financial Reporting for Nonexchange Transactions" (GASB 33).

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as expenditures. Proceeds of long-term debt are recorded as liabilities in the government-wide financial statements, rather than as other financing sources. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability in the government-wide financial statements, rather than as expenditures.

Fort Myers Beach Mosquito Control District
Notes to the Financial Statements
September 30, 2019

1. Summary of Significant Accounting Policies, continued

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use or directly benefit for goods, services, or privileges provided by a given function, such as inspection fees, and 2) grants and contributions that are restricted to meeting the operational or capital improvements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Governmental fund financial statements are reported using the current financial resources management 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 and soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers tax revenues to be available if they are collected within sixty days of the end of the current fiscal period.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exception to this general rule include: (1) principal and interest on long-term debt, if any, which is recognized when due, and (2) expenditures are generally not divided between years by the recording of prepaid expenditures.

Fort Myers Beach Mosquito Control District
Notes to the Financial Statements
September 30, 2019

1. Summary of Significant Accounting Policies, continued

Capital Assets: Capital assets include land, building, improvements, vehicles, and equipment, are reported in the government-wide financial statements in the Statement of Net Position. The District follows a capitalization policy which calls for capitalization of all capital assets that have a cost or donated value of \$1,000 or more and have a useful life in excess of one year. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their acquisition cost on the date donated. Maintenance, repairs, and minor renovations are not capitalized. Expenditures that materially increase values, change capacities or extend useful lives are capitalized. Depreciable capital assets are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	40
Improvements, including seawalls	10 - 39
Equipment	3 - 7
Vehicles	7

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

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.

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

Inventories: Inventory consists only of expendable chemicals which are to be used in operations is valued at the lower of cost or market based on the first-in-first-out method (FIFO). Inventory is recorded under the consumption method and no reserve has been made within the fund balances of the Governmental Fund Types.

Fort Myers Beach Mosquito Control District
Notes to the Financial Statements
September 30, 2019

1. Summary of Significant Accounting Policies, continued

Budgets and Budgetary Accounting:

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

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

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

Compensated Absences: The District's employees accumulate annual leave based on the number of years of continuous service. Upon termination of employment, employees can receive payment for accumulated leave, if they meet certain criteria. The maximum number of hours that an employee can be compensated for is 200, with the excess hours available to be taken as paid leave. As of September 30, 2019, total accumulated absences was \$5,083.

Fort Myers Beach Mosquito Control District
Notes to the Financial Statements
September 30, 2019

2. Cash and Investments:

At September 30, 2019, the carrying amount of the District's deposits was \$124,305 and the bank balance was \$124,780. These deposits were entirely covered by Federal Depository Insurance or by collateral pursuant to the Florida Security for Public Deposits Act (Florida Statutes Chapter 280). Florida Statutes authorize investments in certificates of deposit, savings accounts, repurchase agreements, the Local Government Surplus Funds Trust Fund administered by the Florida State Board of Administration, obligations of the U.S. Government and government agencies unconditionally guaranteed by the U.S. Government. The District's investment policy permits the investment in savings accounts and certificates of deposit with state-certified, qualified public depositories.

3. Changes in General Fixed Assets:

A summary of changes in general fixed assets follows:

	Balance Oct. 1, 2018	Additions	Deletions	Balance Sept. 30, 2019
Capital assets not being depreciated:				
Land	\$ 5,000	\$ -	\$ -	\$ 5,000
Total capital assets not being depreciated:	5,000	-	-	5,000
Capital assets being depreciated:				
Buildings and improvements	42,572	3,950	-	46,522
Seawall	40,952	-	-	40,952
Motor vehicles	67,405	30,251	-	97,656
Furniture, fixtures, & equipment	24,262	-	-	24,262
Total capital assets being depreciated:	175,191	34,201	-	209,392
Less: Accumulated depreciation	(138,632)	(11,913)	-	(150,545)
Capital assets, net	\$ 41,559	\$ 22,288	\$ -	\$ 63,847

4. Property Taxes:

Property taxes are levied on November 1 of each year, and are due and payable upon receipt of the notice of levy. The Lee County, Florida, Tax Collector's office bills and collects property taxes on behalf of the District. The tax rate levied upon all of the taxable property within the District for mosquito control for the fiscal year ended September 30, 2019 was \$0.0575 per \$1,000 of assessed taxable property value. Property tax revenue is recognized currently in the fiscal year for which the taxes are levied. On April 1 of each year, unpaid taxes become a lien on the property. The past due tax certificates are sold at public auction prior to June 1, and the proceeds thus collected are remitted to the District.

Fort Myers Beach Mosquito Control District
Notes to the Financial Statements
September 30, 2019

5. Changes in General Long-Term Debt:

The following is a summary of changes in the District's general long-term debt for the year ended September 30, 2019:

	Balance Oct. 1, 2018	Additions	Reductions	Balance Sept. 30, 2019
Compensated Absences	\$ 5,433	\$ 5,289	\$ (5,639)	\$ 5,083
Net Pension Liability- Pension Plan	117,296	41,944	(23,801)	135,439
Net Pension Liability- HIS Plan	33,609	5,578	(3,393)	35,794
Total Long Term Liabilities	<u>\$ 156,338</u>	<u>\$ 52,811</u>	<u>\$ (32,833)</u>	<u>\$ 176,316</u>

6. Implementation of GASB Statement No. 75

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

The District provides insurance (medical, dental and vision) benefits to its current full-time ALA accredited employees and offers all vested (vested is defined by the District's retirement plan) former employees the option of receiving these same benefits provided they pay 100% of the premium. Therefore, the District's only OPEB liability is for the implicit rate subsidy offered to the retiree. An implicit rate subsidy is the difference between a premium rate charged to retirees for a particular benefit and the estimated rate that would be applicable to those retirees if that benefit was acquired for them as a separate group. As of September 30, 2019, there were no retirees receiving these benefits and only three active participants in the insurance benefit plan.

The District has decided to finance these benefits on a pay-as-you-go basis and recognize expenses in the year the premium is due. The District believes the implicit OPEB liability is immaterial, as such; there is no actuarially determined net OPEB obligation at September 30, 2019.

7. Commitments and Contingencies:

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

Fort Myers Beach Mosquito Control District
Notes to the Financial Statements
September 30, 2019

8. Retirement Plan:

Florida Retirement System:

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

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

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

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

Pension Plan

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

Fort Myers Beach Mosquito Control District
Notes to the Financial Statements
September 30, 2019

8. Retirement Plan, continued

Pension Plan, continued

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

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

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

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

Contributions – Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute three percent of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employer contribution rates by job class for the periods from October 1, 2018 through June 30, 2019 and from July 1, 2019 through September 30, 2019, respectively, were as follows: Regular--8.26% and 8.47%; Special Risk Administrative--34.98% and 38.59%;

Fort Myers Beach Mosquito Control District
Notes to the Financial Statements
September 30, 2019

8. Retirement Plan, continued

Pension Plan, continued

Special Risk--24.50% and 25.48%; Senior Management Service--24.06% and 25.41%; Elected Officers--48.70% and 48.82%; and DROP participants--14.03% and 14.60%. These employer contribution rates include the 1.66% HIS Plan subsidy for the periods October 1, 2018 through June 30, 2019 and from July 1, 2019 through September 30, 2019. Other than DROP participants, these employer contribution rates include .06% and .06% administrative fee for the periods October 1, 2018 through June 30, 2019 and from July 1, 2019 through September 30, 2019, respectively.

The District's contributions to the Pension Plan totaled \$11,211 for the fiscal year ended September 30, 2019, excluding HIS plan contributions.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2019, the District reported a liability of \$135,439 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The District's proportionate share of the net pension liability was based on the District's 2018-19 fiscal year contributions relative to the 2017-18 fiscal year contributions of all participating members. At June 30, 2019, the District's proportionate share was .000393%, which was an increase of 0.000004% from its proportionate share measured as of June 30, 2018.

For the fiscal year ended September 30, 2019, the District recognized pension expense of \$22,521. 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	\$ 8,033	\$ (84)
Change of assumptions	34,788	-
Net difference between projected and actual earnings on Pension Plan investments	-	(7,493)
Changes in proportion and differences between District Pension Plan contributions and proportionate share of contributions	7,505	(16,544)
District Pension Plan contributions subsequent to the measurement date	3,240	-
Total	<u>\$ 53,566</u>	<u>\$ (24,121)</u>

Fort Myers Beach Mosquito Control District
Notes to the Financial Statements
September 30, 2019

8. Retirement Plan, continued

Pension Plan, continued

The deferred outflows of resources related to the Pension Plan, totaling \$3,240 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
2020	\$ 12,288
2021	200
2022	5,253
2023	5,863
2024	2,099
Thereafter	502

Actuarial Assumptions – The total pension liability in the July 1, 2019 actuarial valuation was determined using the following actuarial assumption, applied to all periods included in the measurement:

Inflation	2.60%	
Salary increases	3.25%, average, including inflation	
Investment rate of return	6.90%, net of pension plan investment expense, including inflation	

Mortality rates were based on the PUB-2010 base table that varies by member category and sex, projected generationally with Scale MP-2018, updated to better anticipate expected future experience for those members while in FRS covered employment.

The actuarial assumptions used in the July 1, 2019, valuation were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

Fort Myers Beach Mosquito Control District
Notes to the Financial Statements
September 30, 2019

8. Retirement Plan, continued

Pension Plan, continued

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

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	3.3%	3.3%	1.2%
Fixed income	18.0%	4.1%	4.1%	3.5%
Global equity	54.0%	8.0%	6.8%	16.5%
Real estate (property)	11.0%	6.7%	6.1%	11.7%
Private equity	10.0%	11.2%	8.4%	25.8%
Strategic investments	6.0%	5.9%	5.7%	6.7%
Total	<u>100.0%</u>			
Assumed Inflation - Mean			2.6%	1.7%

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

Discount Rate - The discount rate used to measure the total pension liability was 6.90%. The Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculation of the total pension liability is equal to the long-term expected rate of return.

Fort Myers Beach Mosquito Control District
Notes to the Financial Statements
September 30, 2019

8. Retirement Plan, continued

Pension Plan, continued

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following represents the District's proportionate share of the net pension liability calculated using the discount rate of 6.90%, 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 (5.90%) or one percentage point higher (7.90%) than the current rate:

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.9%)
District's proportionate share of the net pension liability/(asset)	\$ 234,129	\$ 135,439	\$ 53,016

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, 2019, 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, 2019, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month. To be eligible to receive these benefits, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions – The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2019, the HIS contribution for the period October 1, 2018 through September 30, 2019 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

Fort Myers Beach Mosquito Control District
Notes to the Financial Statements
September 30, 2019

8. Retirement Plan, continued

HIS Plan, continued

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 \$1,791 for the fiscal year ended September 30, 2019.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2019, the District reported a liability of \$35,794 for its proportionate share of the HIS Plan’s net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The District’s proportionate share of the net pension liability was based on the District’s 2018-19 fiscal year contributions relative to the 2017-18 fiscal year contributions of all participating members. At June 30, 2019, the District’s proportionate share was .000320%, which was an increase of 0.000002% from its proportionate share measured as of June 30, 2018.

For the fiscal year ended September 30, 2019, the District recognized HIS expense (credit) of (\$199). In addition the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 435	\$ (44)
Change of assumptions	4,142	(2,926)
Net difference between projected and actual earnings on HIS Plan investments	23	-
Changes in proportion and differences between District HIS Plan contributions and proportionate share of contributions	2,757	(7,456)
District HIS Plan contributions subsequent to the measurement date	448	-
Total	<u>\$ 7,370</u>	<u>\$ (10,382)</u>

Fort Myers Beach Mosquito Control District
Notes to the Financial Statements
September 30, 2019

8. Retirement Plan, continued

HIS Plan, continued

The deferred outflows of resources related to the HIS Plan, totaling \$448 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
2020	\$ (458)
2021	(590)
2022	(878)
2023	(1,574)
2024	65
Thereafter	366

Actuarial Assumptions – The total pension liability in the July 1, 2019 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	3.50%

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, 2019 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 3.50%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Fort Myers Beach Mosquito Control District
Notes to the Financial Statements
September 30, 2019

8. Retirement Plan, continued

HIS Plan, continued

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following represents the District's proportionate share of the net pension liability calculated using the discount rate of 3.50%, 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 (2.50%) or one percentage point higher (4.50%) than the current rate:

	1% Decrease (2.50%)	Discount Rate (3.50%)	1% Increase (4.50%)
District's proportionate share of the net pension liability	\$ 40,861	\$ 35,794	\$ 31,574

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, 2019, the District reported no amounts payable for outstanding contributions to the HIS Plan.

Investment Plan

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

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. Board employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected District Officers, etc.), as the Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeited benefits of plan members. Allocations to the investment investment member's accounts during the 2018-19 fiscal year, as established by Section 121.72, Florida Statutes, are based on a percentage of gross compensation, by class, as follows:

Fort Myers Beach Mosquito Control District
Notes to the Financial Statements
September 30, 2019

8. Retirement Plan, continued

Investment Plan, continued

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

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the Pension Plan is transferred to the Investment Plan, the member must have the years of service required for Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2019, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the District.

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

The District's Investment Plan pension contribution totaled \$1,978 for the fiscal year ended September 30, 2019, excluding HIS.

Fort Myers Beach Mosquito Control District
Notes to the Financial Statements
September 30, 2019

9. Budgetary Results Reconciled to Results in Accordance with Generally Accepted

The budgetary process is based upon accounting for certain transactions on a basis other than GAAP basis. The results of operations are presented in the budget-to-actual comparison statement in accordance with the budgetary process (Budget basis) to provide a meaningful comparison with the budget. The major difference between the Budget basis “actual” and GAAP basis is as follows:

	<u>Budget Basis</u>	<u>GAAP Basis</u>
Revenues:		
Ad Valorem taxes	218,149	221,527
Miscellaneous Revenue	-	429
Expenditures:		
Payroll taxes and benefits	78,495	78,307
Operating	79,073	71,960
Repairs and maintenance	7,916	3,121
Capital outlay	29,406	34,201

Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP). Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).

**REQUIRED SUPPLEMENTAL
INFORMATION**

Fort Myers Beach Mosquito Control District
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Non-GAAP
For the fiscal year ended September 30, 2019

	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Ad Valorem taxes	\$ 227,850	\$ 227,850	\$ 218,149	\$ (9,701)
Miscellaneous Revenue	-	-	-	-
Interest	54	54	23	(31)
Total revenues	<u>227,904</u>	<u>227,904</u>	<u>218,172</u>	<u>(9,732)</u>
Expenditures:				
Current				
Physical environment services				
Personal services				
Salaries and wages	107,071	108,570	107,865	705
Payroll taxes and benefits	69,061	82,730	78,495	4,235
Operating expenditures				
Operating	72,000	95,665	79,073	16,592
Travel and per diem	-	8,000	4,414	3,586
Communication Service	-	2,500	1,021	1,479
Freight services	-	200	-	200
Utility Service	-	3,000	2,603	397
Rental and leases	-	500	-	500
Insurance	17,528	18,000	15,748	2,252
Repairs and maintenance	96,000	96,000	7,916	88,084
Printing and binding	-	500	-	500
Promotional activities	-	300	-	300
Other charges	-	500	128	372
Office supplies	-	1,000	946	54
Gasoline, oil and lube	2,500	2,500	1,138	1,362
Chemicals	10,000	10,000	-	10,000
Protective clothing	-	200	-	200
Misc. supplies	-	-	-	-
Tools and implements	-	500	66	434
Publications and dues	-	3,500	2,670	830
Training	-	3,000	1,045	1,955
Capital outlay	35,000	29,407	29,406	1
Total expenditures	<u>409,160</u>	<u>466,572</u>	<u>332,534</u>	<u>134,038</u>
Excess of expenditures over revenues	(181,256)	(238,668)	(114,362)	124,306
Fund balance, Oct. 1, 2018	181,256	238,668	238,668	-
Fund balance, Sept. 30, 2019	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 124,306</u>	<u>\$ 124,306</u>

Fort Myers Beach Mosquito Control District
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Non-GAAP
For the fiscal year ended September 30, 2019

GAAP Reconciliation	
Ad Valorem taxes	3,378
Miscellaneous Revenue	429
Personal services	
Payroll taxes and benefits	(188)
Operating expenditures	
Operating	(7,113)
Repairs and maintenance	(4,795)
Capital outlay	4,795
Excess of revenue over (under) expenditures	<u>11,108</u>
Beginning Fund Balance	241,622
Ending Fund Balance	<u><u>\$ 138,368</u></u>

**Fort Myers Beach Mosquito Control District
Schedule of District Contributions - Pension Plan
For the Fiscal Year Ended September 30, 2019
Last Six Fiscal Years**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 11,211	\$ 10,379	\$ 8,983	\$ 12,372	\$ 14,566	\$ 12,707
Contributions in relation to contractually require contribution	<u>(11,211)</u>	<u>(10,379)</u>	<u>(8,983)</u>	<u>(12,372)</u>	<u>(14,566)</u>	<u>(12,707)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 80,547	\$ 77,848	\$ 66,067	\$ 109,633	\$ 123,552	\$ 119,853
Contributions as a percentage of covered-employee payroll	13.92%	13.33%	13.60%	11.28%	11.79%	10.60%

Note: Data was unavailable prior to 2014.

Fort Myers Beach Mosquito Control District
Schedule of the District's Proportionate Share of the Net Pension Liability
Pension Plan
For the Fiscal Year Ended September 30, 2019
Last Six Fiscal Years

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability	0.000393%	0.000389%	0.000375%	0.000550%	0.000590%	0.000464%
District's proportionate share of the net pension liability	\$ 135,439	\$ 117,296	\$ 110,823	\$ 138,886	\$ 76,166	\$ 28,334
District's covered-employee payroll	\$ 79,872	\$ 77,386	\$ 67,814	\$ 122,122	\$ 123,552	\$ 119,853
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	169.57%	151.57%	163.42%	113.73%	61.65%	23.64%
Plan fiduciary net position as a percentage of the total pension liability	82.61%	84.26%	83.89%	84.88%	92.00%	96.09%

Note: Data was unavailable prior to 2014.

**Fort Myers Beach Mosquito Control District
Schedule of District Contributions - HIS Plan
For the Fiscal Year Ended September 30, 2019
Last Six Fiscal Years**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 1,791	\$ 1,733	\$ 1,524	\$ 2,062	\$ 1,710	\$ 1,516
Contributions in relation to contractually require contribution	<u>(1,791)</u>	<u>(1,733)</u>	<u>(1,524)</u>	<u>(2,062)</u>	<u>(1,710)</u>	<u>(1,516)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 107,865	\$ 104,371	\$ 91,819	\$ 124,215	\$ 126,695	\$ 120,367
Contributions as a percentage of covered-employee payroll	1.66%	1.66%	1.66%	1.66%	1.35%	1.26%

Note: Data was unavailable prior to 2014.

Fort Myers Beach Mosquito Control District
Schedule of the District's Proportionate Share of the Net Pension Liability
HIS Plan
For the Fiscal Year Ended September 30, 2019
Last Six Fiscal Years

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability	0.000320%	0.000318%	0.000293%	0.000423%	0.000407%	0.002823%
District's proportionate share of the net pension liability	\$ 35,794	\$ 33,609	\$ 31,323	\$ 49,250	\$ 41,532	\$ 37,717
District's covered-employee payroll	\$ 106,992	\$ 103,716	\$ 93,378	\$ 130,455	\$ 123,552	\$ 119,853
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	33.45%	32.40%	33.54%	37.75%	33.61%	31.47%
Plan fiduciary net position as a percentage of the total pension liability	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%

Note: Data was unavailable prior to 2014.

**Independent Auditor's Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters Based
on an Audit of Financial Statements Performed in Accordance with
*Government Auditing Standards***

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities of the Fort Myers Beach Mosquito Control District, (the "District") as of and for the fiscal year ended September 30, 2019, 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 9, 2020.

Internal Control Over Financial Reporting

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

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

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

Internal Control Over Financial Reporting, continued

Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standard*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

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

Punta Gorda, Florida
June 9, 2020

MANAGEMENT LETTER

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

Report on the Financial Statements

We have audited the financial statements of the Fort Myers Beach Mosquito Control District, (the "District"), as of and for the fiscal year ended September 30, 2019, and have issued our report thereon dated June 9, 2020.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards and Independent Accountant's Examination Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated June 9, 2020, 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, 2019.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the District has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the District. It is management's responsibility to monitor the District's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

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

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, the District's Board of Commissioners and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

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

Punta Gorda, Florida
June 9, 2020

Independent Accountant's Examination Report

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

Report on Compliance

We have examined the Fort Myers Beach Mosquito Control District's (the "District") compliance with Section 218.415, Florida Statutes, Local Government Investment Policies, for the year ended September 30, 2019. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

Scope

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

Opinion

In our opinion, the District complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2019.



Punta Gorda, Florida
June 9, 2020