

**Rupert J. Smith Law Library
of St. Lucie County**

ANNUAL FINANCIAL REPORT

September 30, 2018

Rupert J. Smith Law Library of St. Lucie County

ANNUAL FINANCIAL REPORT

September 30, 2018

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Rupert J. Smith Law Library of St. Lucie County

ANNUAL FINANCIAL REPORT

September 30, 2018

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Certified Public Accountants PL

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REPORT OF INDEPENDENT AUDITORS

To the Board of Trustees
Rupert J. Smith Law Library of St. Lucie County
St. Lucie County, Florida

Report on the Financial Statements

We have audited the accompanying basic financial statements of Rupert J. Smith Law Library of St. Lucie County (the "Organization") as of and for the year ended September 30, 2018, and the related notes to financial statements, which collectively comprise the Organization'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 an opinion 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 Accounting 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.

Fort Pierce / Stuart

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To the Board of Trustees
Rupert J. Smith Law Library of St. Lucie County

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the General Fund of Rupert J. Smith Law Library of St. Lucie County, as of September 30, 2018, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

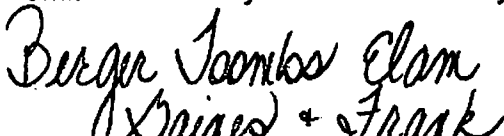
Other Matters

Required Supplementary Information

Governmental accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and budgetary comparison 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 any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated June 25, 2019 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations and contracts. 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 Rupert J. Smith Law Library of St. Lucie County's internal control over financial reporting and compliance.


Berger, Toombs, Elam, Gaines & Frank
Certified Public Accountants PL
Fort Pierce, Florida

June 25, 2019

**Rupert J. Smith Law Library of St. Lucie County
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2018**

Management's Discussion and Analysis of Rupert J. Smith Law Library of St. Lucie County (the "Organization") financial performance provides an objective and easily readable analysis of the Organization's financial activities. The analysis provides summary financial information for the Organization and should be read in conjunction with the Organization's financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Organization's basic financial statements comprise three components; 1) *Government-wide financial statements*, 2) *Fund financial statements*, and 3) *Notes to financial statements*. The *Government-wide financial statements* present an overall picture of the Organization's financial position and results of operations. The *Fund financial statements* present financial information for the Organization's major fund. The *Notes to financial statements* provide additional information concerning the Organization's finances.

The *Government-wide financial statements* are the **statement of net position** and the **statement of activities**. These statements use accounting methods similar to those used by private-sector companies. Emphasis is placed on the net position of governmental activities and the change in net position. Governmental activities are primarily supported by special assessments.

The **statement of net position** presents information on all assets and liabilities of the Organization, with the difference between assets and liabilities reported as net position. Net position is reported in two categories; 1) net investment in capital assets and 2) unrestricted net position. Assets, liabilities, and net position are reported for all Governmental activities.

The **statement of activities** presents information on all revenues and expenses of the Organization and the change in net position. Expenses are reported by major function and program revenues relating to those functions are reported, providing the net cost of all functions provided by the Organization. To assist in understanding the Organization's operations, expenses have been reported as governmental activities. Governmental activities financed by the Organization include court related and law library books.

Fund financial statements present financial information for the general fund. These statements provide financial information for the general fund of the Organization. Governmental fund financial statements provide information on the current assets and liabilities of the fund, changes in current financial resources (revenues and expenditures), and current available resources.

**Rupert J. Smith Law Library of St. Lucie County
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2018**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Fund financial statements include a balance sheet and a statement of revenues, expenditures and changes in fund balances for the General Fund. A statement of revenues, expenditures, and changes in fund balances – budget and actual, is also provided for the Organization's General Fund. *Fund financial statements* provide more detailed information about the Organization's activities. Individual funds are established by the Organization to track revenues that are restricted to certain uses or to comply with legal requirements.

The *government-wide financial statements* and the *fund financial statements* provide different pictures of the Organization. The government-wide financial statements provide an overall picture of the Organization's financial standing. These statements are comparable to private-sector companies and give a good understanding of the Organization's overall financial health and how the Organization paid for the various activities, or functions, provided by the Organization. All assets of the Organization, including equipment, are reported in the **statement of net position**. All liabilities are included. The **statement of activities** includes depreciation on all long-lived assets of the Organization. The *fund financial statements* provide a picture of the general fund of the Organization. In the case of governmental activities, outlays for long lived assets are reported as expenditures. To provide a link from the *fund financial statements* to the *government-wide financial statements*, a reconciliation is provided from the *fund financial statements* to the *government-wide financial statements*.

Notes to financial statements provide additional detail concerning the financial activities and financial balances of the Organization. Additional information about the accounting practices of the Organization and capital assets are some of the items included in the *notes to the financial statements*.

Financial Highlights

The following are the highlights of financial activity for the year ended September 30, 2018.

- The Organization's total assets exceeded total liabilities by \$244,745 (net position). Unrestricted net position for governmental activities was \$244,745.
- Governmental activities revenues totaled \$300,253 while governmental activities expenses totaled \$327,579.

**Rupert J. Smith Law Library of St. Lucie County
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2018**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Financial Analysis of the Organization

The following schedule provides a summary of the assets, liabilities and net position of the Organization and is presented by category for comparison purposes.

Net Position

	Governmental Activities	
	2018	2017
Current assets	\$ 274,969	\$ 287,532
Capital assets	-	-
Total Assets	274,969	287,532
Current Liabilities	30,224	15,461
Net position - unrestricted	244,745	272,071
Total Net Position	\$ 244,745	\$ 272,071

The decrease in current assets is related to expenditures in excess of revenues at the fund level in the current year and the increase in accrued expenses.

Capital assets are fully depreciated.

**Rupert J. Smith Law Library of St. Lucie County
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2018**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Financial Analysis of the Organization (Continued)

The following schedule provides a summary of the changes in net position of the Organization and is presented by category for comparison purposes.

Change in Net Position

	<u>Governmental Activities</u>	
	<u>2018</u>	<u>2017</u>
Revenues		
Charges for services	\$ 291,678	\$ 260,088
Interest	2,950	4,054
Miscellaneous	5,625	4,536
Total Revenues	<u>300,253</u>	<u>268,678</u>
Expenses		
Court related	238,946	176,245
Law library books	88,633	100,724
Total Expenses	<u>327,579</u>	<u>276,969</u>
Change in Net Position	(27,326)	(8,291)
Net Position - Beginning of Year	<u>272,071</u>	<u>280,362</u>
Net Position - End of Year	<u>\$ 244,745</u>	<u>\$ 272,071</u>

The increase in revenues is primarily related to the increase in court cases in the current year.

The increase in court related expenses is related to purchases for the new location on Rosser Road that opened during the current year.

**Rupert J. Smith Law Library of St. Lucie County
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2018**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Capital Assets Activity

The following schedule provides a summary of the Organization's capital assets as of September 30, 2018 and 2017.

<u>Description</u>	<u>Governmental Activities</u>	
	<u>2018</u>	<u>2017</u>
Equipment	\$ 205,616	\$ 205,616
Accumulated depreciation	(205,616)	(205,616)
Total Capital Assets (Net)	\$ -	\$ -

During the year, there was no activity.

General Fund Budgetary Highlights

Actual expenditures were less than budgeted expenditures primarily due to less law book expenditures than were anticipated.

There were no budget amendments for the year ended September 30, 2018.

Economic Factors and Next Year's Budget

During the year The Law Library received a 2018/19 grant from the Board of County Commissioners for \$45,000. The effects on the financial position or results of operations of the Organization in fiscal year 2019 cannot be determined at this time.

Request for Information

The financial report is designed to provide a general overview of Rupert J. Smith Law Library of St. Lucie County's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Rupert J. Smith Law Library of St. Lucie County, 221 S. Indian River Drive, Fort Pierce, FL 34950.

Rupert J. Smith Law Library of St. Lucie County
STATEMENT OF NET POSITION
September 30, 2018

	Governmental Activities
ASSETS	
Current Assets	
Cash and investments	\$ 251,325
Interest receivable	897
Due from other governments	22,747
Total Current Assets	274,969
Non-Current Assets	
Capital assets, being depreciated:	
Equipment	205,616
Less: accumulated depreciation	(205,616)
Total Non-Current Assets	-
Total Assets	274,969
LIABILITIES	
Current Liabilities	
Accounts payable	27,287
Deposits	2,937
Total Current Liabilities	30,224
NET POSITION	
Unrestricted	\$ 244,745

See accompanying notes.

Rupert J. Smith Law Library of St. Lucie County
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2018

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues Charges for Services</u>	<u>Net (Expense) Revenue and Changes in Net Position Governmental Activities</u>
Governmental Activities			
Court related	\$ (238,946)	\$ 212,759	\$ (26,187)
Law library books	(88,633)	78,919	(9,714)
Total Governmental Activities	<u>\$ (327,579)</u>	<u>\$ 291,678</u>	<u>(35,901)</u>
	General revenues:		
			2,950
			5,625
		Total General Revenues	<u>8,575</u>
		 Changes in Net Position	 (27,326)
		Net Position - October 1, 2017	<u>272,071</u>
		Net Position - September 30, 2018	<u>\$ 244,745</u>

See accompanying notes.

**Rupert J. Smith Law Library of St. Lucie County
BALANCE SHEET – GENERAL FUND
September 30, 2018**

ASSETS	<u>General</u>
Cash and investments	\$ 251,325
Interest receivable	897
Due from other governments	<u>22,747</u>
Total Assets	<u><u>\$ 274,969</u></u>
 LIABILITIES AND FUND BALANCES	
Liabilities	
Accounts payable	\$ 27,287
Deposits	<u>2,937</u>
Total Liabilities	<u><u>30,224</u></u>
 Fund Balances	
Unassigned	<u>244,745</u>
Total Liabilities and Fund Balances	<u><u>\$ 274,969</u></u>

See accompanying notes.

**Rupert J. Smith Law Library of St. Lucie County
RECONCILIATION OF GENERAL FUND BALANCE
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
September 30, 2018**

Total Governmental Fund Balances	\$ 244,745
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets being depreciated (equipment \$205,616), net of accumulated depreciation (\$205,616) used in governmental activities are not financial resources and therefore, are not reported in the funds.	<u>-</u>
Net Position of Governmental Activities	<u>\$ 244,745</u>

See accompanying notes.

**Rupert J. Smith Law Library of St. Lucie County
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES – GENERAL FUND
 For the Year Ended September 30, 2018**

Revenues	
Charges for services	\$ 291,678
Interest income	2,950
Miscellaneous revenues	<u>5,625</u>
Total Revenues	<u>300,253</u>
 Expenditures	
Current	
Court related	238,946
Capital outlay	
Book purchases	<u>88,633</u>
Total Expenditures	<u>327,579</u>
Net Change in Fund Balances	(27,326)
Fund Balances - October 1, 2017	<u>272,071</u>
Fund Balances - September 30, 2018	<u>\$ 244,745</u>

There are no reconciling items for the change in fund balances and the change in net position.

See accompanying notes.

Rupert J. Smith Law Library of St. Lucie County
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL –
GENERAL FUND
For the Year Ended September 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues				
Charges for services	\$ 262,574	\$ 262,574	\$ 291,678	\$ 29,104
Interest income	-	-	2,950	2,950
Miscellaneous revenues	-	-	5,625	5,625
Total Revenues	<u>262,574</u>	<u>262,574</u>	<u>300,253</u>	<u>37,679</u>
Expenditures				
Current				
Court related	217,412	217,412	238,946	(21,534)
Capital outlay				
Book purchases	122,022	122,022	88,633	33,389
Equipment	1,000	1,000	-	1,000
Total Capital Outlay	<u>123,022</u>	<u>123,022</u>	<u>88,633</u>	<u>34,389</u>
Total Expenditures	<u>340,434</u>	<u>340,434</u>	<u>327,579</u>	<u>12,855</u>
Net Change in Fund Balances	(77,860)	(77,860)	(27,326)	50,534
Fund Balances - October 1, 2017	<u>107,523</u>	<u>107,523</u>	<u>272,071</u>	<u>164,548</u>
Fund Balances - September 30, 2018	<u>\$ 29,663</u>	<u>\$ 29,663</u>	<u>\$ 244,745</u>	<u>\$ 215,082</u>

See accompanying notes.

Rupert J. Smith Law Library of St. Lucie County
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Rupert J. Smith Law Library of St. Lucie County (the "Organization"), have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Organization's more significant accounting policies are described below.

1. Reporting Entity

The Rupert J. Smith Law Library of St. Lucie County is an independent special district that was created by a special act, Chapter 57-1790, Laws of Florida, as subsequently amended by special act, Chapters 71-895, 83-512 and 88-516, Laws of Florida.

The financial activity of the Rupert J. Smith Law Library of St. Lucie County is also included in the financial statements of the St. Lucie County Board of County Commissioners as an agency fund.

2. Measurement Focus and Basis of Accounting

The basic financial statements of the Rupert J. Smith Law Library of St. Lucie County are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to financial statements

a. Government-wide Financial Statements

Government-wide financial statements report all non-fiduciary information about the reporting government as a whole. These statements include all the governmental activities of the primary government. The effect of interfund activity has been removed from these statements.

Governmental activities are supported by charges for services, miscellaneous income and interest. Program revenues include charges for services, and payments made by parties outside of the reporting government's citizenry if that money is restricted to a particular program. Program revenues are netted with program expenses in the Statement of Activities to present the net cost of each program.

Amounts paid to acquire capital assets are capitalized as assets, rather than reported as an expenditure.

Rupert J. Smith Law Library of St. Lucie County
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE A – SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Basis of Accounting (Continued)

b. Fund Financial Statements

The underlying accounting system of the Rupert J. Smith Law Library of St. Lucie County is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Governmental 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.

Fund financial statements for the primary government's governmental funds are presented after the government-wide financial statements. These statements display information about major funds individually.

Governmental Funds

The Organization implemented the Governmental Accounting Standards Board Statement 54 – Fund Balance Reporting and Governmental Fund Type Definitions. The Statement requires the fund balance for governmental funds to be reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

The Organization has various policies governing the fund balance classifications.

Nonspendable Fund Balance – This classification consists of amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact.

Restricted Fund Balance – This classification includes amounts that can be spent only for specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

Rupert J. Smith Law Library of St. Lucie County
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE A – SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Basis of Accounting (Continued)

b. Fund Financial Statements (Continued)

Governmental Funds (Continued)

Assigned Fund Balance – This classification consists of the Board of Trustees' intent to be used for specific purposes, but are neither restricted nor committed.

Unassigned Fund Balance – This classification is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications.

Fund Balance Spending Hierarchy – For all governmental funds except special revenue funds, when restricted, committed, assigned, and unassigned fund balances are combined in a fund, qualified expenditures are paid first from restricted or committed fund balance, as appropriate, then assigned and finally unassigned fund balances.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are considered to be available when they are collected within the current period or soon thereafter to pay liabilities of the current period. For this purpose, the Organization considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Interest associated with the current fiscal period is considered to be an accrual item and so has been recognized as revenue of the current fiscal period.

Under the current financial resources measurement focus, only current assets and current liabilities are generally included on the balance sheet. The reported fund balance is considered to be a measure of "available spendable resources". Governmental fund operating statements present increases (revenues and other financial sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Rupert J. Smith Law Library of St. Lucie County
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE A – SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Basis of Accounting (Continued)

b. Fund Financial Statements (Continued)

Governmental Funds (Continued)

Because of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by non-current liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Amounts expended to acquire capital assets are recorded as expenditures in the year that resources are expended, rather than as fund assets. The proceeds of long-term debt are recorded as an other financing source rather than as a fund liability.

3. Basis of Presentation

a. Governmental Major Funds:

General Fund – The General Fund is the Organization's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

b. Non-current Governmental Assets/Liabilities:

GASB Statement 34 requires that non-current governmental assets, such as equipment, be reported in the governmental activities column in the government-wide Statement of Net Position.

4. Assets, Liabilities, and Net Position or Fund Balance

a. Capital Assets

Capital assets, which include equipment, are reported in the governmental activities column.

Rupert J. Smith Law Library of St. Lucie County defines capital assets as assets with an initial, individual cost of \$1,000 or more and an estimated useful life in excess of one year. The legal books are not capitalized as a capital asset. The valuation basis for all assets is historical cost.

Rupert J. Smith Law Library of St. Lucie County
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE A – SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

4. Assets, Liabilities, and Net Position or Fund Balance (Continued)

a. Capital Assets (Continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

Depreciation of capital assets is computed and recorded by utilizing the straight-line method. Estimated useful lives of the various type of equipment are 5-10 years. Donated capital assets are capitalized at their estimated fair market value at the time of donation.

b. Budgets

An operating budget is prepared for the Rupert J. Smith Law Library of St. Lucie County and submitted to the Board of Trustees. The Rupert J. Smith Law Library of St. Lucie County utilizes the same basis of accounting for budgets as it does for revenues and expenditures in the general fund. All budget appropriations lapse at year-end.

c. Encumbrances

Encumbrances are commitments related to unperformed (executory) contracts for goods and services. Encumbrances at year-end represent the estimated amount of the expenditures ultimately to result if unperformed contracts in process at year-end are completed. Encumbrances outstanding at year-end do not constitute expenditures or liabilities. The Rupert J. Smith Law Library of St. Lucie County utilized an encumbrance system of accounting during the audit period to assist in budgetary control. The Rupert J. Smith Law Library of St. Lucie County does not reflect encumbrances on its financial statements.

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

1. Explanation of Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

Total "fund balances" of the Organization's governmental funds, \$244,745, does not differ from "net position" of governmental activities, \$244,745, reported in the Statement of Net Position. This difference usually primarily results from the long-term economic focus of the Statement of Net Position versus the current financial resources focus of the Governmental Fund balance sheet. The effect is illustrated on the following page.

**Rupert J. Smith Law Library of St. Lucie County
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2018**

NOTE B – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

1. Explanation of Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position (Continued)

Capital related items

When capital assets (equipment that is to be used in governmental activities) are purchased or constructed, the cost of those assets is reported as expenditures in governmental funds. However, the Statement of Net Position included those capital assets among the assets of the Organization as a whole.

Equipment	\$ 205,616
Accumulated depreciation	<u>(205,616)</u>
Total (net)	<u><u>\$ -</u></u>

NOTE C – CASH AND INVESTMENTS

The Rupert J. Smith Law Library of St. Lucie County is required to deposit monies with financial institutions classified as qualified public depositories by Section 136.01, Florida Statutes. Chapter 280, Florida Statutes, establishes the criteria for qualified public depositories, which provides for full insurance for public deposits.

Section 218.415 (17), Florida Statutes, establishes the financial instruments that local governments, without a written investment policy, may invest their surplus funds. The authorized investments are as follows:

1. The Local Government Surplus Trust Fund or any intergovernmental investment pool authorized pursuant to the Florida Inter-local Cooperation Act;
2. Money Market funds with the highest credit quality rating from a nationally recognized rating agency and registered with the Securities and Exchange Commission;
3. Interest bearing time deposits or savings accounts in qualified public depositories;
4. Direct obligations of the U.S. Treasury.

Rupert J. Smith Law Library of St. Lucie County
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE C – CASH AND INVESTMENTS (CONTINUED)

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure the deposits of the Organization may not be returned to it. The Organization's deposit policy for custodial risk is to follow the deposit policies maintained by the St. Lucie County Board of County Commissioners as the custodian of the Organization's deposits. The St. Lucie County Board of County Commissioners maintains a cash and investment pool that is available for use by all funds. Earnings from the pooled investments are allocated to the respective funds based on applicable cash participation by each fund. The investment pool is managed such that all participating funds have the ability to deposit and withdraw cash as if they were demand deposit accounts. All the deposits were covered by the FDIC or collateralized in accordance with the "Florida Security for Public Deposits Act". Under the Act, every qualified public depository shall deposit with the State Treasurer eligible collateral having a market value equal to a percentage of the average daily balance for each month that all public deposits are in excess of any applicable deposit insurance. The collateral percentage ranges from 25% to 200%, depending on the credibility of the qualified public depository.

Interest Rate Risk

Currently the Rupert J. Smith Law Library of St. Lucie County has deposits in the pooled cash and investment account of the St. Lucie County Board of County Commissioners. The investment policy approved by the St. Lucie County Board of County Commissioners manages the pooled cash investments exposure to fair value losses arising from increasing interest rates.

Cash reported on the combined balance sheet represents the Rupert J. Smith Law Library of St. Lucie County's portion of the pooled cash account of the St. Lucie County Board of County Commissioners as well as a \$50 petty cash fund. As of September 30, 2018, the \$251,325 in pooled cash is uncategorized as it represents a proportionate share of the pool and not specific securities.

Credit Risk

The Rupert J. Smith Law Library of St. Lucie County manages credit quality risk through its investment in the pooled cash account of the St. Lucie County Board of County Commissioners. The investment policy of the St. Lucie County Board of County Commissioners which manages the investment of pooled cash monies limits the types of investments authorized and also limits the maturities of the investments.

Rupert J. Smith Law Library of St. Lucie County
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE D – CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2018 was as follows:

	<u>October 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>September 30, 2018</u>
Equipment	\$ 205,616	\$ -	\$ -	\$ 205,616
Accumulated Depreciation	<u>(205,616)</u>	-	-	<u>(205,616)</u>
Capital Assets, Net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE E – RELATED PARTY TRANSACTIONS

The St. Lucie County Board of County Commissioners provides space for libraries free of charge at the downtown courthouse, St. Lucie West courthouse annex and the Paula Lewis library.

The accounting records of the Rupert J. Smith Law Library of St. Lucie County are maintained free of charge by the St. Lucie County Clerk of the Circuit Court.



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**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**

To the Board of Trustees
Rupert J. Smith Law Library of St. Lucie County
St. Lucie County, 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 Rupert J. Smith Law Library of St. Lucie County, as of and for the year ended September 30, 2018, and the related notes to the financial statements, and have issued our report thereon dated June 25, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Rupert J. Smith Law Library of St. Lucie County'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 Rupert J. Smith Law Library of St. Lucie County's internal control. Accordingly, we do not express an opinion on the effectiveness of Rupert J. Smith Law Library of St. Lucie County's internal control over financial reporting.

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

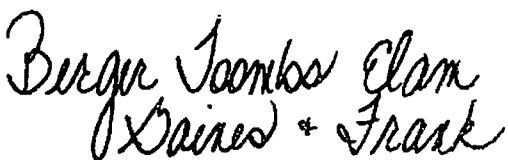
To the Board of Trustees
Rupert J. Smith Law Library of St. Lucie County

Compliance and Other Matters

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

Purpose of this Report

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



Berger, Toombs, Elam, Gaines & Frank
Certified Public Accountants
Fort Pierce, Florida

June 25, 2019



Berger, Toombs, Elam, Gaines & Frank

Certified Public Accountants PL

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MANAGEMENT LETTER

To the Board of Trustees
Rupert J. Smith Law Library of St. Lucie County
St. Lucie County, Florida

Report on the Financial Statements

We have audited the financial statements of the Rupert J. Smith Law Library of St. Lucie County as of and for the year ended September 30, 2018, and have issued our report thereon dated June 25, 2019.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States; 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 Florida Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and our Independent Auditor's Report on an examination conducted in accordance with *AICPA Professionals Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 25, 2019, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. There were no findings or recommendations in the preceding audit.

Financial Condition and Management

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

To the Board of Trustees
Rupert J. Smith Law Library of St. Lucie County

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 Rupert J. Smith Law Library of St. Lucie County. It is management's responsibility to monitor the Rupert J. Smith Law Library of St. Lucie County's financial condition; our financial condition assessment was based in part on the representations made by management and the review of the financial information provided by the same as of September 30, 2018.

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 warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

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

*Berger Toombs Elam
Gaines + Frank*

Berger, Toombs, Elam, Gaines & Frank
Certified Public Accountants PL
Fort Pierce, Florida

June 25, 2019



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**INDEPENDENT ACCOUNTANT'S REPORT/COMPLIANCE
WITH SECTION 218.415, FLORIDA STATUTES**

To the Board of Trustees
Rupert J. Smith Law Library of St. Lucie County
St. Lucie County, Florida

We have examined Rupert J. Smith Law Library of St. Lucie County's compliance with Section 218.415, Florida Statutes during the year ended September 30, 2018. Management is responsible for Rupert J. Smith Law Library of St. Lucie County's compliance with those requirements. Our responsibility is to express an opinion on Rupert J. Smith Law Library of St. Lucie County'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 Rupert J. Smith Law Library of St. Lucie County'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 Rupert J. Smith Law Library of St. Lucie County's compliance with the specified requirements.

In our opinion, Rupert J. Smith Law Library of St. Lucie County complied, in all material respects, with the aforementioned requirements during the year ended September 30, 2018.

*Berger Toombs Elam
Gaines + Frank*

Berger, Toombs, Elam, Gaines & Frank
Certified Public Accountants PL
Fort Pierce, Florida

June 25, 2019

Rupert J. Smith Law Library of St. Lucie County
211 S. Indian River Drive
Fort Pierce, FL 34950

June 25, 2019

Berger, Toombs, Elam, Gaines & Frank
Certified Public Accountants PL
600 Citrus Avenue, Suite 200
Fort Pierce, Florida 34950

This representation letter is provided in connection with your audit of the financial statements of Rupert J. Smith Law Library of St. Lucie County as of September 30, 2018, and the related notes to the financial statements, which collectively comprise the Organization's basic financial statements as listed in the table of contents, for the purpose of expressing an opinion as to whether the financial statements present fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

I confirm, to the best of my knowledge and belief that as of June 25, 2019:

Financial Statements

1. We have fulfilled our responsibility, as set out in the terms of the audit engagement dated August 28, 2018 for the preparation and fair presentation of the financial statements, referred to above, in accordance with U.S. GAAP.
2. We acknowledge our responsibility for 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.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
4. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable and reflect our judgment based on our knowledge and experience about past and current events and our assumptions about conditions we expect to exist and courses of action we expect to take.
5. Related-party relationships and transactions have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
6. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosures have been adjusted or disclosed.
7. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.

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8. We have no direct or indirect legal or moral obligation for any debt of any organizations, public or private, or to special assessment bondholder, that is not disclosed in the financial statements.
9. We have complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance. In connection therewith, we specifically represent that we are responsible for determining that we are not subject to the requirement of the Single Audit Act because we have not received, expended, or otherwise been the beneficiary of the required amount of federal awards during the period of this audit.
10. We have no knowledge of an uncorrected misstatement in the financial statement.

Information Provided

11. We have provided you with:
 - a. Access to all information, of which I am aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation and other matters;
 - b. Additional information that you have requested from us for the purpose of the audit;
 - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence; and
 - d. Minutes of the meetings of governing boards, and committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.
12. All transactions have been recorded in the accounting records and are reflected in the financial statements.
13. We have disclosed to you the results of my assessment of the risk that the financial statements may be materially misstated as a result of fraud.
14. We have no knowledge of allegations of fraud or suspected fraud, affecting the Organization involving:
 - a. Management or employees who have significant roles in the internal control.
 - b. Others where the fraud could have a material effect on the financial statements.
15. We have no knowledge of any allegations of fraud or suspected fraud affecting the Organization's financial statements received in communications from employees, former employees, analysts, regulators, short sellers, or others.

16. We have no knowledge of noncompliance or suspected noncompliance with laws and regulations whose effects were considered when preparing financial statements.
17. We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements.
18. We have disclosed to you the identity of the entity's related parties and all the related-party relationships and transactions of which I am aware.
19. We are not aware of any significant deficiencies, including material weaknesses, in the design or operation of internal controls that could adversely affect the Organization's ability to record, process, summarize, and report financial data.
20. We are not aware of any communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
21. Other than discussed with you, Rupert J. Smith Law Library of St. Lucie County has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities or net position balances.
22. We are responsible for making the accounting estimates included in the financial statements. Those estimates reflect my judgment based on my knowledge and experience about past and current events and my assumptions about conditions I expect to exist and courses of action I expect to take. In that regard, adequate provisions have been made:
 - a. To reduce receivables to their estimated net collectible amounts.
23. There are no estimates that may be subject to a material change in the near term that have not been properly disclosed in the financial statements. I understand that *near term* means the period within one year of the date of the financial statements. In addition, I have no knowledge of concentrations existing at the date of the financial statements that make the Organization vulnerable to the risk of severe impact that have not been properly disclosed in the financial statements.
24. There are no:
 - a. Violations or possible violations of laws, regulations or provisions of contracts and grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.
 - b. Instances that have occurred, or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements.
 - c. Other material liabilities or gain or loss contingencies that are required to be accrued or disclosed by FAS ASC 450, *Contingencies*.

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25. Rupert J. Smith Law Library of St. Lucie County has satisfactory title to all owned assets.
26. With respects to supplementary information presented in relation to the financial statements as a whole:
 - a. I acknowledge my responsibility for the presentation of such information.
 - b. I believe such information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America.

Compliance Considerations

In connection with your audit, conducted in accordance with *Government Auditing Standards*, I confirm:

27. We are responsible for:
 - a. The preparation and fair presentation of the financial statements in accordance with the applicable financial reporting framework.
 - b. The design, implementation and maintenance of effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
 - c. Compliance with the laws, regulations, and provisions of contracts and other agreements applicable to the Organization.
28. We have identified and disclosed to you:
 - a. All instances that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that have material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance. There were no such instances in the fiscal year ended September 30, 2018.
 - b. All instances that have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that have a material effect on the determination of financial statement amounts. There were no such instances in the fiscal year ended September 30, 2018.
 - c. All instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements. There were no such instances in the fiscal year ended September 30, 2018.

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29. We have identified to you all previous audits, attestation engagements, and other studies that relate to the objectives of this audit, including whether related recommendations have been implemented.
30. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
31. We have provided views on the auditor's reported findings, conclusions, and recommendations, as well as management's planned corrective actions, for the report.
32. We have reviewed, approved, and take full responsibility for the financial statements, related notes, and supplementary information and acknowledge the auditor's role in the preparation of this information.
33. We have reviewed, approved, and take full responsibility for all proposed audit adjustments and acknowledgement of the auditor's role in the preparation of the adjustments.
34. We are responsible for determining that significant events or transactions that have occurred since the balance sheet date and through the date that the financial statements were issued have been recognized or disclosed in the financial statements. No events or transactions, other than those disclosed in the financial statements, have occurred subsequent to the balance sheet date and through the date that the financial statements were issued, that would require recognition or disclosure in the financial statements. I further represent that as of the date the financial statements were issued, the financial statements were complete in a form and format that complied with accounting principles generally accepted in the United States of America, and all approvals necessary for issuance of the financial statements had been obtained.

Signed:



Title:

Circuit Judge