

RESOLUTION NUMBER 08-03  
RESOLUTION OF THE TOWN OF FORT MYERS BEACH  
ACCEPTANCE OF BASIC FINANCIAL STATEMENTS AND  
AUDIT FOR FISCAL YEAR 2006-2007

WHEREAS, the Town Council of Fort Myers Beach has convened in public meeting on January 7, 2008, following proper notice as required by Florida Statute; and

WHEREAS, the Town Council has reviewed the Basic Financial Statements and audit for FY 2006 (fiscal year 2006-2007) which had been previously provided.

IT IS HEREBY RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF FORT MYERS BEACH, FLORIDA AS FOLLOWS:

SECTION ONE: Authority. This Resolution is enacted pursuant to the provisions of Chapter 95-494, Laws of Florida, Chapter 166, Florida Statutes, and other applicable provisions of law.

SECTION TWO: Town Manager's Responsibility. The Town Manager of the Town of Fort Myers Beach has presented the Basic Financial Statements and Audit for the fiscal year 2006-2007.

SECTION THREE: Acceptance of Audit. The Town of Fort Myers Beach hereby accepts the Basic Financial Statements and Audit for the fiscal year 2006-2007. Said audit is attached hereto as Exhibit "A" and hereby incorporated by reference.

SECTION FOUR: Severability. If any one of the provisions of this resolution should be held contrary to any express provision of law or contrary to the policy of express law, although not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such provision shall be null and void and shall be deemed separate from the remaining provisions of this resolution, and in no way affect the validity of all other provisions of this resolution.

SECTION FIVE: Effective Date. This resolution is effective immediately upon adoption.

The FOREGOING RESOLUTION WAS ADOPTED ON THE 7<sup>TH</sup> DAY OF JANUARY, 2008, upon a motion by Councilmember Meador, seconded by Councilmember Shenko. Upon being put to a vote, the result was as follows:

Dennis C. Boback, Mayor                    aye  
Herb Acken                                    aye  
William Shenko, Jr.                        aye

Larry Kiker, Vice Mayor aye  
Charles R. Meador, Jr. aye

THE TOWN OF FORT MYERS BEACH

By: *Dennis C. Boback*  
Dennis C. Boback, Mayor

ATTESTED TO:

By: *Michelle Mayher*  
Michelle Mayher, Town Clerk

Approved as to legal sufficiency:

By: *Anne Dalton*  
Anne Dalton, Esquire



**TOWN OF FORT MYERS BEACH, FLORIDA**

**BASIC FINANCIAL STATEMENTS**

**AS OF AND FOR THE YEAR ENDED  
SEPTEMBER 30, 2006**

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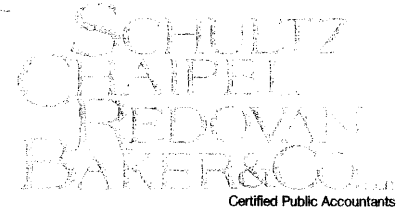
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\*Regulated by the State of Florida



## INDEPENDENT AUDITORS' REPORT

To the Council Members  
Town of Fort Myers Beach  
Fort Myers Beach, Florida

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Fort Myers Beach, Florida (the "Town") as of and for the year ended September 30, 2006, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town's management. 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 of material misstatement. The financial statements of the Town of Fort Myers Beach Public Works Service, Inc., a component unit, were not audited in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town, as of September 30, 2006, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the General fund, Gas Tax fund, CRA fund, Old San Carlos MSBU fund, Beach Access fund and FEMA fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 28, 2007 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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The management's discussion and analysis on pages 3 through 10 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The supplemental financial information as listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Additionally, the accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. The supplemental financial information and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Schultz, Chaipel, Redovan, Baker & Co., LLP*

Schultz, Chaipel, Redovan, Baker & Co., LLP  
September 28, 2007

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

The discussion and analysis of the Town of Fort Myers Beach's financial statements is intended to provide a narrative introduction to the basic financial statements and an analytical overview of the Town's financial activities for the fiscal year ending September 30, 2006.

Since the Management's Discussions and Analysis is designed to focus on the current year's activities, resulting changes, and current known facts, please read it in conjunction with the Town's financial statements.

### **FINANCIAL HIGHLIGHTS**

- At September 30, 2006, the assets of the Town of Fort Myers Beach exceeded its liabilities by \$18,281,784 (net assets). Of this amount, \$11,023,185 of unrestricted net assets may be used to meet the Town's ongoing obligations.
- The Town's total net assets increased by \$1,085,830.
- The Town of Fort Myers Beach's governmental funds reported combined ending fund balances of \$8,500,704 as of September 30, 2006. This is an increase of \$219,069 over the September 30, 2005 ending fund balances.

### **USING THE BASIC FINANCIAL STATEMENTS**

These basic financial statements consist of a series of financial statements.

#### **Government-wide Financial Statements**

The Statement of Net Assets (page 11) and the Statement of Activities (page 12) provide information about the activities of the Town as a whole. The Government-wide Financial Statements separate governmental from business-type activities but both are measured and reported on a full accrual basis using the economic resources measurement focus.

The Statement of Net Assets' purpose is to be used as an indicator of the improvement of the financial position of the Town. Net assets are the difference between the Town's assets and liabilities.

The Statement of Activities presents information showing how the Town's net assets changed during the 2006 fiscal year. The statement reflects the expenses of a given function or segment, which are offset by program revenues. Program revenues are defined as charges for services, operating grants and contributions, and capital grants and contributions directly associated with a given function. Taxes are reported under general revenue.

Both of these financial statements distinguish primary types of functions of the Town as follows:

- Governmental activities – Most of the Town's primary functions are reported here, including culture/recreation, public works, streets and roads, planning and zoning, and general and administrative services. Major revenues supporting these activities are ad valorem taxes, gas taxes, communications services taxes, and intergovernmental revenues.

- **Business-type activities** – This column includes Public Works Services, a blended component unit which is used to account for the operation of the water system. The services are supported from user fees.

## **Fund Financial Statements**

The Fund Financial Statements, which report by fund type, begin on page 13. 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 13 and 15 that converts this data to an economic resources measurement focus and the accrual basis of accounting for use in the Government-wide Financial Statements. The Fund Financial Statements present information in more detail than the Government-wide Financial Statements.

The Town's major funds are presented in separate columns on the Fund Financial Statements. The funds that do not meet this criterion of a major fund are considered non-major funds and are combined into a single column, "Other Governmental Funds" on the Fund Financial Statements. The Governmental Accounting Standards Board (GASB) Statement No. 34 provides the authoritative guidance on the governmental reporting model.

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 Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into two categories:

1. **Governmental funds** – account for most of the Town's tax-supported activities. Examples are the General Fund and the Gas Tax funds. These funds focus on how money flows into and out of the funds, and the balances left at year-end. The accounting method used is called modified accrual accounting, which measures cash and all other financial assets that can be readily converted to cash, within a sixty-day period. The two criteria used are that the revenue is measurable and available.
2. **Proprietary funds** – are used to account for the business-type activities of the government. The Town's proprietary fund includes Public Works Services, a blended component unit. The proprietary fund uses full accrual basis accounting and the economic measurement focus. Fees or charges are the primary revenue service for the proprietary fund.

## **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 25.



## AN OVERVIEW OF THE TOWN

### GOVERNMENT-WIDE STATEMENTS

The Government-wide Financial Statements were designed so that the user can determine if the City is in a better or worse financial condition from the prior year. The City's overall financial position has improved over the prior year.

#### Summary of Net Assets

The following table reflects a summary of Net Assets for the fiscal years September 30, 2006 and 2005.

Town of Fort Myers Beach, Florida  
Summary of Net Assets

	<i>Governmental Activities</i>		<i>Business-type Activities</i>		<i>Total</i>	
	<i>2006</i>	<i>2005</i>	<i>2006</i>	<i>2005</i>	<i>2006</i>	<i>2005</i>
Current and other assets	\$ 9,413,852	\$ 9,137,824	\$ 3,304,876	\$ 2,961,078	\$ 12,718,728	\$ 12,098,902
Capital assets	<u>7,849,222</u>	<u>7,527,509</u>	<u>2,469,377</u>	<u>2,637,469</u>	<u>10,318,599</u>	<u>10,164,978</u>
Total assets	<u>17,263,074</u>	<u>16,665,333</u>	<u>5,774,253</u>	<u>5,598,547</u>	<u>23,037,327</u>	<u>22,263,880</u>
Current and other liabilities	547,466	542,249	1,096,687	1,200,482	1,644,153	1,742,731
Noncurrent liabilities	<u>51,390</u>	<u>85,194</u>	<u>3,060,000</u>	<u>3,240,000</u>	<u>3,111,390</u>	<u>3,325,194</u>
Total liabilities	<u>\$ 598,856</u>	<u>\$ 627,443</u>	<u>\$ 4,156,687</u>	<u>\$ 4,440,482</u>	<u>\$ 4,755,543</u>	<u>\$ 5,067,925</u>
Net assets:						
Invested in capital assets,						
net of related debt	7,849,222	7,527,509	(590,623)	(782,531)	7,258,599	6,744,978
Restricted	-	-	-	227,809	-	227,809
Unrestricted	<u>8,814,996</u>	<u>8,510,381</u>	<u>2,208,189</u>	<u>1,712,787</u>	<u>11,023,185</u>	<u>10,223,168</u>
Total net assets	<u>\$ 16,664,218</u>	<u>\$ 16,037,890</u>	<u>\$ 1,617,566</u>	<u>\$ 1,158,065</u>	<u>\$ 18,281,784</u>	<u>\$ 17,195,955</u>

Net assets of \$7,258,599 or 40% represent the amount invested in capital assets, less the outstanding debt used to acquire those assets. The 2006 balance reflects an increase of \$513,621 or 8% over 2005. The Town uses these assets to provide services to its citizens and therefore, these assets are not available for future spending. It should also be noted that other resources will be required to repay the outstanding debt on capital assets. This balance represents resources that are subject to external restriction on how they may be used. The Town's largest portion of net assets, 60%, is unrestricted. These net assets may be used to meet the Town's ongoing obligations to citizens and creditors.

## Summary of Changes in Net Assets

The following table compares revenues and expenses for the current fiscal year and the previous fiscal year.

Town of Fort Myers Beach  
Summary of Changes in Net Assets

	<i>Governmental</i>		<i>Business-type</i>		<i>Total</i>	
	<i>Activities</i>		<i>Activities</i>			
	<b>2006</b>	<b>2005</b>	<b>2006</b>	<b>2005</b>	<b>2006</b>	<b>2005</b>
<b>Revenues:</b>						
<b>Program revenues</b>						
Charges for services	\$ 564,117	\$ 616,840	\$ 2,235,730	\$ 2,083,149	\$ 2,799,847	\$ 2,699,989
Operating grants and contributions	1,234,887	886,630	-	-	1,234,887	886,630
Capital grants and contributions	117,650	189,123	149,646	54,219	267,296	243,342
<b>General revenues</b>						
Property taxes	2,182,835	2,171,502	-	-	2,182,835	2,171,502
Gas taxes	489,823	399,842	-	-	489,823	399,842
Franchise fees	97,111	50,667	-	-	97,111	50,667
Communications services taxes	597,049	603,707	-	-	597,049	603,707
Intergovernmental & Impact fees	1,113,594	1,505,001	-	-	1,113,594	1,505,001
Investment earnings	372,075	240,254	125,735	26,617	497,810	266,871
Miscellaneous	106,792	120,117	-	10,562	106,792	130,679
Total revenues	<u>6,875,933</u>	<u>6,783,683</u>	<u>2,511,111</u>	<u>2,174,547</u>	<u>9,387,044</u>	<u>8,958,230</u>
<b>Expenses:</b>						
<b>Program expenses</b>						
<b>Governmental Activities</b>						
General government	3,047,086	2,693,024	-	-	3,047,086	2,693,024
Public safety	732,176	620,120	-	-	732,176	620,120
Physical environment	32,666	29,957	-	-	32,666	29,957
Transportation	1,038,083	1,365,010	-	-	1,038,083	1,365,010
Economic environment	205,674	639,448	-	-	205,674	639,448
Culture/recreation	1,193,919	1,238,227	-	-	1,193,919	1,238,227
Interest on long term debt	-	1,357	-	-	-	1,357
<b>Business-type activities</b>						
Water Utility	-	-	2,051,611	1,811,357	2,051,611	1,811,357
Total expenses	<u>6,249,604</u>	<u>6,587,143</u>	<u>2,051,611</u>	<u>1,811,357</u>	<u>8,301,215</u>	<u>8,398,500</u>
Increase (decrease) in net assets	626,328	196,540	459,500	363,190	1,085,829	559,730
Net assets - beginning	<u>16,037,890</u>	<u>15,841,350</u>	<u>1,158,065</u>	<u>794,875</u>	<u>17,195,955</u>	<u>16,636,225</u>
Net assets - ending	<u>\$ 16,664,218</u>	<u>\$ 16,037,890</u>	<u>\$ 1,617,565</u>	<u>\$ 1,158,065</u>	<u>\$ 18,281,784</u>	<u>\$ 17,195,955</u>

Total revenues increased \$ 428,814 or 5 % in comparison to the prior year. Total expenses decreased by \$97,285 or 1.3 % in comparison to the prior year.

**Governmental Activities**

The table below presents the cost of the Town’s larger programs as well as each program’s net cost (total cost less program revenues), generated by the activities. The net cost represents the portion of each program that is supported by various taxes.

The cost of all governmental activities this fiscal year was \$6.2 million, as compared to \$6.6 million for fiscal 2005. As shown in the Statement of Activities (page 12), the net cost ultimately paid through taxes and other available resources was \$4.3 million for 2006 as compared to \$4.9 million for 2005. The remaining \$2.0 million was provided by:

- Approximately \$564,000 in charges for services of which there was approximately \$129,000 in revenue from fines and forfeitures, approximately \$300,000 from parking facilities revenues, with the remainder from various fees for general government services.
- Approximately \$1.2 million in operating grants and contributions. These grants included Mound House grants
- \$117,650 in capital grants and contributions.

	<i>Total cost of services</i>		<i>Net cost (earnings) of services</i>	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Public safety	\$ 732,176	\$ 620,120	\$ 161,167	\$ (380,359)
Physical environment	32,666	29,957	(32,666)	(29,957)
Transportation	1,038,083	1,365,010	(701,604)	(898,235)
Economic environment	205,674	639,448	(48,924)	36,172
Culture/recreation	1,193,919	1,238,226	(697,488)	(1,012,806)
General government	<u>3,047,086</u>	<u>2,693,024</u>	<u>(3,013,435)</u>	<u>(2,608,008)</u>
Totals	<u>\$ 6,249,604</u>	<u>\$ 6,585,785</u>	<u>\$ (4,332,950)</u>	<u>\$ (4,893,193)</u>

**Business-type Activities**

Revenues of the Town’s business-type activities totaled \$2,511,111 and \$2,174,547 for 2006 and 2005, respectively. Operating expenses totaled \$2,051,611 and \$1,811,357 for 2006 and 2005, respectively. The increase in net assets was \$459,500 and \$363,190 for 2006 and 2005, respectively.

**FINANCIAL ANALYSIS OF THE TOWN’S FUNDS**

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

## **Governmental Funds**

Governmental funds are comprised of the general fund and special revenue funds. Governmental funds use the current financial resources measurement focus that provides information on the near-term inflows, outflows, and balances of available resources.

The *General Fund* is the chief operating fund of the Town. It is used to account for all financial resources, except those to be accounted for in another fund. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$3,882,741. During the current fiscal year, the fund balance of the Town's General fund decreased by \$507,576. The key factor for this decrease is an increase in operating transfers to other funds. These transfers address the remaining portion of un-reimbursed expenditures for Hurricane Charley and Hurricane Wilma.

The *Gas Tax Fund* is used to account for gas taxes and other resources dedicated to road related projects. This fund has a total fund balance of \$2,485,777, all of which is dedicated for road improvements. This fund balance decreased \$125,643 in 2006 as a result transportation related expenses in the amount of \$735,752.

The *CRA Fund* is used to account for the tax increment factor levied on the benefiting properties within the defined district and the use of such funds. The CRA has a deficit fund balance of \$99,181.

The *Old San Carlos MSBU Fund* is used to account for the special assessment levied on benefited property owners for improvements constructed by the Town. This fund has a total fund balance deficit of \$155,759 as compared to 2005 deficit of \$199,158. The Town expects the deficit to be recovered in subsequent years when the assessments are paid.

The *Beach Access Fund* program activities provide maintenance of the Beach. These activities are funded by grants and parking revenue. The Beach Access Fund has a fund balance of \$113,344.

The *FEMA Fund* is used to account for debris removal, repairs and improvements to the Town as a result of Hurricane Charley. As of 9/30/2005, this fund had a total deficit of \$553,198. An operating transfer from the General Fund was made to account for certain expenses which are not eligible for reimbursement by Federal Emergency Management Agency or the Federal Highway Administration. Expenses not eligible for reimbursement are ultimately the responsibility of the Town.

All other governmental funds are accounted for in the column entitled *Other Governmental Funds*.

## **Proprietary Funds**

The Town's proprietary fund is used to account for activities for which a fee is charged to external users for services. This fund provides the same type of information found in the Governmental-wide Financial Statements, but in more detail.

**BUDGETARY HIGHLIGHTS**

The difference between the General fund’s final budget and actual amounts equaled a \$564,192 decrease in total revenues. The actual expenditures were less than the final budgeted amount by \$3,099,040. The resulting excess of revenues over expenditures was \$164,173.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

The following table provides a comparative summary of capital assets (net of accumulated depreciation) by category.

Town of Fort Myers Beach  
Capital Assets  
(net of depreciation)

	Governmental Activities		Business- type Activities		Totals	
	2006	2005	2006	2005	2006	2005
Land	\$ 4,235,748	\$ 4,235,748	\$ 305,000	\$ 305,000	\$ 4,540,748	\$ 4,540,748
Buildings & leasehold improvements	1,844,697	1,880,883	-	-	\$ 1,844,697	\$ 1,880,883
Improvements other than buildings	42,722	49,663	2,164,377	2,326,904	2,207,099	2,376,567
Office furniture and equipment	73,280	74,313	-	5,565	73,280	79,878
Vehicles and other equipment	219,780	193,751	-	-	219,780	193,751
Infrastructure	924,728	851,129	-	-	924,728	851,129
Construction in progress	508,267	242,022	-	-	508,267	242,022
Total capital assets	<u>\$ 7,849,222</u>	<u>\$ 7,527,509</u>	<u>\$ 2,469,377</u>	<u>\$ 2,637,469</u>	<u>\$ 10,318,599</u>	<u>\$ 10,164,978</u>

Additional information on the Town’s capital assets can be found in Note 8 to the financial statements.

**Long-term Liabilities**

As of September 30, 2006 and 2005, the Town had \$3,111,390 and \$3,514,137, respectively, in a note payable, capital lease, and compensated absences. The following table provides a breakdown:

Town of Fort Myers Beach  
Outstanding Debt

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Note payable	\$ -	\$ -	\$ 3,060,000	3,420,000	\$ 3,060,000	\$ 3,420,000
Capital lease	-	8,943	-	-	-	8,943
Compensated absences	51,390	85,194	-	-	51,390	85,194
Total long-term liabilities	<u>\$ 51,390</u>	<u>\$ 94,137</u>	<u>\$ 3,060,000</u>	<u>\$ 3,420,000</u>	<u>\$ 3,111,390</u>	<u>\$ 3,514,137</u>

Additional information on the Town's long-term debt can be found in Note 9 to the financial statements.

### ***ECONOMIC FACTORS AND NEXT FISCAL YEAR'S BUDGET***

The State of Florida operates primarily using sales, gasoline and corporate income tax. Local governments (cities, counties and school boards) primarily rely on property and a limited array of permitted other taxes (sales, gasoline, communication services, etc.) and fees (franchise, occupational licensing, impact, etc.) for their governmental activities. There are a number of state-shared revenues and recurring and non-recurring (one-time) grants from both the state and federal governments.

The following factors were considered in preparing the Town's budget for the 2006 fiscal year.

- Approximately \$1.6 million has been budgeted for road and drainage projects
- Anticipated expenditures on the Newton Park project and Mound House are \$888,000
- The 2007 budget includes \$1,490,000 for the new Town Hall Project

### **Requests for Information**

This financial report is designed to provide a general overview of the Town of Fort Myers Beach's finances. Questions concerning any information provided in this report or requests for additional financial information should be addressed to the Director of Finance, Town of Fort Myers Beach, 2523 Estero Boulevard, Fort Myers Beach, Florida 33931.

TOWN OF FORT MYERS BEACH, FLORIDA  
STATEMENT OF NET ASSETS  
September 30, 2006

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 4,228,221	\$ 2,715,252	\$ 6,943,473
Investments	4,138,459	-	4,138,459
Due from other governments	647,337	126,928	774,265
Accounts receivable	-	317,988	317,988
Special assessments receivable	362,500	-	362,500
Prepaid expenses	25,205	-	25,205
Internal balances	12,130	(12,130)	-
Restricted cash	-	154,255	154,255
Unamortized debt issuance costs	-	2,583	2,583
Capital assets (net of accumulated depreciation):			
Land	4,235,748	305,000	4,540,748
Buildings and leasehold improvements	1,844,697	-	1,844,697
Improvements other than buildings	42,722	2,137,653	2,180,375
Office furniture and equipment	73,280	26,724	100,004
Vehicles and other equipment	219,780	-	219,780
Infrastructure	924,728	-	924,728
Construction in progress	508,267	-	508,267
Total assets	<u>17,263,074</u>	<u>5,774,253</u>	<u>23,037,327</u>
<b>LIABILITIES</b>			
Accounts payable and other accrued liabilities	547,466	93,551	641,017
Customer refunds payable	-	222,140	222,140
Due to other governments	-	626,741	626,741
Liabilities payable from restricted assets - customer deposits	-	154,255	154,255
Long-term liabilities:			
Due within one year	-	180,000	180,000
Due in more than one year	51,390	2,880,000	2,931,390
Total liabilities	<u>598,856</u>	<u>4,156,687</u>	<u>4,755,543</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	7,849,222	(590,623)	7,258,599
Unrestricted	8,814,996	2,208,189	11,023,185
Total net assets	<u>\$ 16,664,218</u>	<u>\$ 1,617,566</u>	<u>\$ 18,281,784</u>

The notes to the financial statements are an integral part of this financial statement.

TOWN OF FORT MYERS BEACH, FLORIDA  
STATEMENT OF ACTIVITIES  
For the Fiscal Year Ended September 30, 2006

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Operating		Governmental Activities	Primary Government	
		Charges for Services	Grants and Contributions		Capital Grants and Contributions	Governmental Activities
<b>Primary government:</b>						
Governmental activities:						
General government	\$ 3,047,086	\$ 33,651	\$ -	\$ (3,013,435)	\$ -	\$ (3,013,435)
Public safety	732,176	-	893,343	161,167	-	161,167
Physical environment	32,666	-	-	(32,666)	-	(32,666)
Transportation	1,038,083	336,479	-	(701,604)	-	(701,604)
Economic environment	205,674	-	156,750	(48,924)	-	(48,924)
Culture/Recreation	1,193,919	193,987	184,794	(697,488)	-	(697,488)
Total governmental activities	6,249,605	564,117	1,234,887	(4,332,951)	-	(4,332,951)
Business-type activities:						
Water	2,051,613	2,235,730	-	-	333,766	333,766
Total primary government	\$ 8,301,218	\$ 2,799,847	\$ 1,234,887	\$ (4,332,951)	\$ 333,766	\$ (3,999,185)
General revenues:						
Property taxes, levied for general purposes				2,182,835	-	2,182,835
Gas taxes				489,823	-	489,823
Franchise fees				97,111	-	97,111
Communications services taxes				597,049	-	597,049
Intergovernmental revenues, not restricted to specific programs				893,030	-	893,030
Impact fees				220,564	-	220,564
Investment earnings				372,075	125,735	497,810
Miscellaneous				106,792	-	106,792
Total general revenues				4,959,279	125,735	5,085,014
Change in net assets				626,328	459,501	1,085,829
Net assets - beginning				16,037,890	1,158,065	17,195,955
Net assets - ending				\$ 16,664,218	\$ 1,617,566	\$ 18,281,784

The notes to the financial statements are an integral part of this financial statement.