

**FORT MYERS BEACH
PUBLIC LIBRARY DISTRICT**

September 30, 2022

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

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Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities of the Fort Myers Beach Public Library District, (the "District") as of and for the fiscal year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the District as of September 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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; and 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.

Responsibilities of Management for the Financial Statements, Continued

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedules of the District's net proportionate share of net pension liability- pension plan and health insurance subsidy plan, schedules of district contributions- pension plan and health insurance subsidy plan and schedule of changes in the total OPEB liability and related ratios to be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Required Supplementary Information, Continued

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 our report dated June 22, 2023, 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. 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 effectiveness of the District's 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.

Ashley, Brown & Smith, CPAs

Punta Gorda, FL

June 22, 2023

MANAGEMENT'S
DISCUSSION AND ANALYSIS

Fort Myers Beach Public Library District
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2022

This discussion and analysis of the Fort Myers Beach Public Library District (the "District") financial statements is designed to introduce the basic financial statements and provide an analytical overview of the District's financial activities for the fiscal year ended September 30, 2022. The basic financial statements are comprised of the government-wide financial statements, governmental fund financial statements, and notes. The information presented in this MD&A should be considered in conjunction with the accompanying financial statements.

District Highlights

- At the close of fiscal year 2022, the District's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources, resulting in net position of \$15,279,398.
- The District's total net position decreased \$300,897, or 1.93 percent, in comparison to prior year.
- The District had \$1,011,486 of unassigned fund balance that can be used to meet the District's ongoing obligations.
- Total revenues decreased \$99,858, or 6.85 percent, in comparison to prior year.
- Total expenses increased \$279,316, or 20.26 percent, in comparison to prior year.

Government-wide Financial Statements

Government-wide financial statements (statement of net position and statement of activities found on pages 9 and 10 are intended to allow a reader to assess a government's operational accountability. Operational accountability is defined as the extent to which the government has met its operating objectives efficiently and effectively, using all resources available for that purpose, and whether it can continue to meet its objectives for the foreseeable future. Government-wide financial statements concentrate on the District as a whole and do not emphasize fund types.

The *Statement of Net Position* (page 9) presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. The District's capital assets (property, plant, and equipment) are included in this statement and reported net of their accumulated depreciation.

The *Statement of Activities* (page 10) presents revenue and expense information showing how the District's net position changed during the fiscal year. Both statements are measured and reported using the economic resource measurement focus (revenues and expenses) and the accrual basis of accounting (revenue recognized when earned and expense recognized when a liability is incurred).

Fund Financial Statements

A fund is a grouping of related accounts that is being used to maintain control over resources that have been segregated for specific activities or objectives. Governmental funds are used to account for the sources, uses, and balances of a government's expendable general government financial resources (and the current liabilities). The main focus is on how money flows into and out of the general fund and the balances left at year-end that are available for spending.

Fort Myers Beach Public Library District
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2022

Fund Financial Statements (continued)

The Fund financial statements (found on pages 11 and 13) are prepared on the modified accrual basis using the current financial resources measurement focus. Under the modified accrual basis of accounting, revenues are recognized when they become measurable and available as net current assets.

Notes to the Financial Statements

The *notes* to the financial statements explain in detail some of the data contained in the preceding statements and begin on page 15. These notes are essential to a full understanding of the data provided in the government-wide and fund financial statements.

Government-Wide Financial Analysis

The government-wide financial statements were designed so that the user could determine if the District is in a better or worse financial condition from the prior year.

The following is a condensed summary of net position for the primary government for fiscal years 2022 and 2021.

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

	2022	2021
Assets		
Current and other assets	\$ 6,182,178	\$ 6,056,763
Capital assets	9,750,334	10,181,234
Total Assets	15,932,512	16,237,997
Deferred Outflows of Resources	254,128	237,668
Total Assets and Deferred Outflows of Resources	16,186,640	16,475,665
Liabilities		
Current liabilities	31,787	49,648
Compensated absences	56,669	47,433
Net Pension Liability	731,290	292,784
Total Liabilities	819,746	389,865
Deferred Inflows of Resources	87,496	505,505
Total Liabilities and Deferred Inflows of Resources	907,242	895,370
Net position		
Invested in capital assets	9,750,334	10,181,234
Unrestricted	5,529,064	5,399,061
Total Net Position	\$ 15,279,398	\$ 15,580,295

Fort Myers Beach Public Library District
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2022

Government-Wide Financial Analysis (continued)

Investment in capital assets totaled \$9,750,334, which represents 63.81 percent of total net position and is comprised of land, building and improvements, books, audio visual, artwork, and furniture, fixtures and equipment, net of accumulated depreciation.

The following schedule reports the revenues, expenses, and changes in net position for the District for the 2022 and 2021 fiscal years:

	2022	2021
Revenues		
Ad valorem taxes	\$ 1,259,892	\$ 1,222,953
Grants - state aid to libraries	17,395	15,726
Charges for services	9,639	8,320
Other	70,329	210,114
Total Revenues	1,357,255	1,457,113
Expenses		
Personal services	702,938	616,507
Depreciation	317,829	320,887
Operating expenditures	637,385	441,442
Total Expenses	1,658,152	1,378,836
Increase in Net Position	(300,897)	78,277
Net Position, Beginning of Year	15,580,295	15,502,018
Net Position, End of Year	\$ 15,279,398	\$ 15,580,295

Total revenues decreased \$99,858 or 6.85 percent, in comparison to prior year primarily due to a large donation in the amount of \$102,124 in fiscal year 2021.

Total expenses increased in comparison to the prior year by \$279,316 or 20.26 percent, primarily due to disposal of fixed assets in the amount of \$194,657 due to Hurricane Ian and an increase of \$86,431 in personal costs.

Budgetary Highlights

The District adopts an annual budget as required by Florida Statute. There was one budget amendment in fiscal year 2022. Final budgeted revenues were greater than overall actual revenue by \$41,713. Actual expenditures were less than budgeted expenditures by \$185,724.

Fort Myers Beach Public Library District
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2022

Capital Assets

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

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

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

CAPITAL ASSETS	2022	2021
Land	\$ 1,273,270	\$ 1,273,270
Books, audio visual and artwork	1,160,772	1,200,963
Total Capital Assets Not Being Depreciated	2,434,042	2,474,233
Furniture, fixtures and equipment	730,091	1,284,518
Improvements	98,294	98,294
Buildings	10,178,043	10,178,043
Total Capital Assets Being Depreciated	11,006,428	11,560,855
ACCUMULATED DEPRECIATION		
Furniture, fixtures and equipment	(562,368)	(984,128)
Improvements	(67,102)	(63,855)
Buildings	(3,060,666)	(2,805,871)
Total Accumulated Depreciation	(3,690,136)	(3,853,854)
Total Capital Assets Being Depreciated, net	7,316,292	7,707,001
CAPITAL ASSETS, NET	\$ 9,750,334	\$ 10,181,234

Debt Administration

The District's outstanding debt is comprised of \$69,134 in compensated absences and \$731,290 in net pension liability.

Fort Myers Beach Public Library District
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2022

Economic Factors and Next Year's Budget Rates

The District relies on ad valorem taxes as its primary source of revenue.

When preparing the District's budget for the 2022-2023 fiscal year, the Board of Directors adopted the millage rate of 0.2355 mills per \$1,000 which is a 15.86 percent decrease from the 2021-2022 millage rate of 0.2799.

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

This financial report is designed to present users (citizens, customers, investors and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. Questions concerning this report or requests for additional financial information should be directed to:

Fort Myers Beach Public Library District
2755 Estero Blvd, Fort Myers Beach, FL 33931
Phone: (239) 765-8162

**BASIC
FINANCIAL STATEMENTS**

Fort Myers Beach Public Library District

STATEMENT OF NET POSITION

September 30, 2022

Assets

Current assets:

Cash and cash equivalents	\$ 6,182,178
Total Current Assets	<u>6,182,178</u>

Noncurrent assets:

Land	1,273,270
Books, audio visual and artwork	1,160,772
Furniture, fixtures, and equipment	730,091
Improvements	98,294
Buildings	10,178,043
Less accumulated depreciation	<u>(3,690,136)</u>
Total noncurrent assets (net)	<u>9,750,334</u>
Total assets	<u>15,932,512</u>

Deferred Outflows of Resources

Total assets and deferred outflows of resources	<u>254,128</u>
	<u>16,186,640</u>

Liabilities

Current liabilities:

Accounts payable	8,611
Accrued payroll and related liabilities	10,166
Deposits	545
Current portion of long term debt	<u>12,465</u>
Total current liabilities	<u>31,787</u>

Noncurrent liabilities:

Net pension liability	731,290
Compensated absences	<u>56,669</u>
Total noncurrent liabilities	<u>787,959</u>
Total liabilities	<u>819,746</u>

Deferred Inflows of Resources

Total liabilities and deferred inflows of resources	<u>87,496</u>
	<u>907,242</u>

Net Position

Invested in capital assets	9,750,334
Unrestricted	<u>5,529,064</u>
Total net position	<u>\$ 15,279,398</u>

See accompanying Notes to Basic Financial Statements.

Fort Myers Beach Public Library District
STATEMENT OF ACTIVITIES
Fiscal Year Ended September 30, 2022

Program expenses:	
Salaries and benefits	\$ 702,938
Operating	637,385
Depreciation	<u>317,829</u>
Total program expenses	<u>1,658,152</u>
 Program revenues:	
Charges for services	9,639
Operating grants and contributions	<u>17,395</u>
Total program revenue	<u>27,034</u>
Net program (expenses)	<u>(1,631,118)</u>
 General revenues:	
Property taxes	1,259,892
Investment income	11,202
Miscellaneous	<u>59,127</u>
Total general revenues	<u>1,330,221</u>
Change in net position	(300,897)
Net position - beginning, October 1, 2021	<u>15,580,295</u>
Net position - ending, September 30, 2022	<u><u>\$ 15,279,398</u></u>

See accompanying Notes to Basic Financial Statements.

Fort Myers Beach Public Library District
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2022

Assets

Cash and cash equivalents	\$ 6,182,178
Total assets	<u>\$ 6,182,178</u>

Liabilities and Fund Balance

Liabilities	
Accounts payable	\$ 8,611
Accrued payroll and related liabilities	10,166
Deposits	545
Total liabilities	<u>19,322</u>

Fund balance

Assigned	
Catastrophe fund	1,612,259
Equipment and building replacement	2,099,514
Solar capital project fund	1,439,597
Unassigned	1,011,486
Total fund balance	<u>6,162,856</u>

Total liabilities and fund balance	<u>\$ 6,182,178</u>
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See accompanying Notes to Basic Financial Statements.

Fort Myers Beach Public Library District
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
September 30, 2022

Total governmental funds balance		\$ 6,162,856
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Amounts reported for governmental activities in the statement of net position are different because:

Deferred inflows and deferred outflows are applied to future periods and are therefore not reported in the governmental funds.

Deferred outflows related to FRS pension plan	213,764		
Deferred outflows related to HIS pension plan	40,364		
			254,128
Deferred inflows related to FRS pension plan	(45,874)		
Deferred inflows related to HIS pension plan	(41,622)		
			(87,496)

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds:

Cost of assets	\$ 13,440,470		
Accumulated depreciation	(3,690,136)		
			9,750,334

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. Long-term liabilities at fiscal year-end consist of:

Net pension liability	(731,290)		
Compensated absences	(69,134)		
			(800,424)

Total net position		\$ <u>15,279,398</u>
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See accompanying Notes to Basic Financial Statements.

Fort Myers Beach Public Library District
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
Year Ended September 30, 2022

Revenues

Taxes	\$ 1,259,892
Grants - state aid to libraries	17,395
Donation and gifts	47,192
Interest	11,202
Visitor cards	4,763
Copy and fax machine	4,876
Rental revenue	7,705
Fines and fees	1,012
Books and magazines reimbursed	410
Miscellaneous	2,808
	1,357,255
Total revenues	1,357,255

Expenditures

Public safety	
Personal services	688,930
Operating expenditures	
Library operating	17,148
Plant and equipment	375,063
Administrative	52,832
Capital outlay	79,271
	1,213,244
Total expenditures	1,213,244
Net change in fund balance	144,011
Fund balance, beginning, October 1, 2021	6,018,845
Fund balance, ending, September 30, 2022	\$ 6,162,856

See accompanying Notes to Basic Financial Statements.

Fort Myers Beach Public Library District
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended September 30, 2022

Net change in fund balance - total governmental fund \$ 144,011

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

The decrease in pension expense is reported in the Statement of Activities, but does not require a use of current financial resources and is reported as an expenditure in the fund financial statements. (4,037)

The increase in compensated absences liability is a reduction of expense in the Statement of Activities, but does not require a use of current financial resources and is reported as an expenditure in the fund financial statements. (9,971)

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of capital 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 fund balance. These amounts are as follows:

Depreciation expense	\$ (317,829)	
Donations	2,315	
Adjustments to fixed assets	(4,395)	
Loss on disposal	(190,262)	
Capital outlay expenditures	79,271	
		(430,900)

Change in net position \$ (300,897)

See accompanying Notes to Basic Financial Statements.

Fort Myers Beach Public Library District
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2022

NOTE 1 - ORGANIZATION

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

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

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

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

Fort Myers Beach Public Library District
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation

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

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

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

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

Basis of Accounting

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

Budgets

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

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

Fort Myers Beach Public Library District
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and Investments

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

Any losses to public depositors are covered by applicable deposit insurance, sale of securities pledged as collateral, and if necessary, assessments against other qualified public depositories of the same type as the depository in default. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof. As of September 30, 2022, the District had cash on hand of \$689. The District cash balance is comprised of a checking account with carrying/book balances and bank balances of \$1,030,120 and \$1,052,880, respectively. Additionally, the District held seven Certificates of Deposit with a financial institution with carrying/book balances and bank balances of values of \$5,151,370 and \$5,151,370, respectively.

Capital Assets

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

Government Wide Statements

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

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

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

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

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

Fort Myers Beach Public Library District
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital Assets (continued)

Fund Financial Statements

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

Fund Equity

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

Compensated Absences

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

Encumbrances

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

Risk Management

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

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.

Fort Myers Beach Public Library District
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2022

NOTE 3 - CHANGES IN CAPITAL ASSETS

A summary of changes in general fixed assets follows:

	Balances October 1, 2021	Additions	Deletions	Adjustments	Balances September 30, 2022
Capital assets not depreciated:					
Land	\$ 1,273,270	\$ -	\$ -	\$ -	\$ 1,273,270
Books, audio visual and artwork	1,200,963	81,586	(117,382)	(4,395)	1,160,772
Total capital assets not depreciated	<u>2,474,233</u>	<u>81,586</u>	<u>(117,382)</u>	<u>(4,395)</u>	<u>2,434,042</u>
Capital assets depreciated:					
Furniture, fixtures and equipment	1,284,518	-	(554,427)	-	730,091
Improvements	98,294	-	-	-	98,294
Buildings	10,178,043	-	-	-	10,178,043
Total capital assets depreciated	<u>11,560,855</u>	<u>-</u>	<u>(554,427)</u>	<u>-</u>	<u>11,006,428</u>
Less: Accumulated depreciation	<u>(3,853,854)</u>	<u>(317,829)</u>	<u>481,547</u>	<u>-</u>	<u>(3,690,136)</u>
Capital assets, net	<u>\$ 10,181,234</u>	<u>\$ (236,243)</u>	<u>\$ (190,262)</u>	<u>\$ (4,395)</u>	<u>\$ 9,750,334</u>

The District received \$2,315 in donations of books and audio visual.

NOTE 4 - LONG TERM LIABILITIES

A summary of the changes in long term liabilities of the District for the year ended September 30, 2022 is as follows:

	Balance October 1, 2021	Additions	Reductions	Balance September 30, 2022	Amounts Due Within One Year
Compensated Absences	\$ 59,163	\$ 39,877	\$ (29,906)	\$ 69,134	\$ 12,465
Net Pension Liability- Pension Plan	119,704	560,982	(96,126)	584,560	-
Net Pension Liability- HIS Plan	173,080	11,913	(38,263)	146,730	-
Total Long Term Liabilities	<u>\$ 351,947</u>	<u>\$ 612,772</u>	<u>\$ (164,295)</u>	<u>\$ 800,424</u>	<u>\$ 12,465</u>

Fort Myers Beach Public Library District
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2022

NOTE 5 - STATE OF FLORIDA RETIREMENT PLANS

Defined Benefit Plans

The District participates in two defined benefit pension plans that are administered by the State of Florida, Department of Management Services, Division of Retirement. The plans provide retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the plans. That report is available from the Florida Department of Management Services' website (www.dms.myflorida.com).

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

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

Benefits Provided

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

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

Fort Myers Beach Public Library District
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2022

NOTE 5 - STATE OF FLORIDA RETIREMENT PLANS (continued)

Contributions

The contribution requirements of plan members and the employer are established and may be amended by the Florida Legislature. Employees are required to contribute 3.00% of their salary to the FRS Pension Plan. The employer's contribution rates as of September 30, 2022, were as follows:

	FRS	HIS
Regular class	11.91%	1.66%
Special risk class	27.83%	1.66%
Senior management service class	31.57%	1.66%
Elected officials	57.00%	1.66%
DROP from FRS	18.60%	1.66%

The employer's contributions for the year ended September 30, 2022, were \$60,206 to the FRS Pension Plan and \$8,891 to this HIS Program.

Pension Liabilities and Pension Expense

In its financial statements for the year ended September 30, 2022, the District reported a liability for its proportionate share of the net pension liability of the FRS Pension Plan and its proportionate share of the net pension liability of the HIS Program. The net pension liabilities were measured as of June 30, 2022. The District's proportions of the net pension liabilities were based on its share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

	FRS	HIS
Net pension liability	\$ 584,560	\$ 146,730
Proportion at:		
Current measurement date	0.001571%	0.001385%
Prior measurement date	0.001585%	0.001411%
Pension expense	\$ 3,749	\$ 288

Fort Myers Beach Public Library District
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2022

NOTE 5 - STATE OF FLORIDA RETIREMENT PLANS (continued)

Deferred Outflows/Inflows of Resources Related to Pensions

At September 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	FRS		HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 27,763	\$ -	\$ 4,454	\$ (646)
Change of assumptions	71,991	-	8,411	(22,699)
Net difference between projected and actual earnings on pension plan investments	38,598.00	-	212	-
Changes in proportion and differences between District contributions and proportionate share of contributions	55,570	(45,874)	24,563	(18,277)
District contributions subsequent to the measurement date	19,842	-	2,724	-
	<u>\$ 213,764</u>	<u>\$ (45,874)</u>	<u>\$ 40,364</u>	<u>\$ (41,622)</u>

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date, and prior to the employer's fiscal year-end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2023. Other pension-related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Fiscal year ending September 30:	FRS	HIS
2023	\$ 36,542	\$ (579)
2024	15,563	1,805
2025	(12,764)	1,071
2026	103,791	(1,667)
2027	4,916	(3,011)
Thereafter	-	(1,601)
	<u>\$ 148,048</u>	<u>\$ (3,982)</u>

Fort Myers Beach Public Library District
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2022

NOTE 5 - STATE OF FLORIDA RETIREMENT PLANS (continued)

Actuarial Assumptions

The total pension liability for each of the defined benefit plans was measured as of June 30, 2022. The total pension liability for the FRS Pension Plan was determined by an actuarial valuation dated July 1, 2022. The individual entry age normal actuarial cost method was used for each plan, along with the following significant actuarial assumptions:

	<u>FRS</u>	<u>HIS</u>
Inflation	2.40%	2.40%
Salary increases	3.25%	3.25%
Investment rate of return	6.70%	N/A
Discount rate	6.70%	3.54%

Mortality assumptions for both plans were based on the PUB-2010 with Projection Scale MP-2018.

For both plans, the actuarial assumptions were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

The long-term expected investment rate of return was not based on historical returns, but instead was based on a forward-looking capital market economic model. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. For the FRS Pension Plan, the table below summarizes the consulting actuary's assumptions based on the long-term target asset allocation.

<u>Asset Class</u>	<u>Target Allocation (1)</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1.0%	2.6%	2.6%	1.1%
Fixed income	19.8%	4.4%	4.4%	3.2%
Global equity	54.0%	8.8%	7.3%	17.8%
Real estate (property)	10.3%	7.4%	6.3%	15.7%
Private equity	11.1%	12.0%	8.9%	26.3%
Strategic investments	3.8%	6.2%	5.9%	7.8%
Total	<u>100.0%</u>			
Assumed Inflation - Mean			2.4%	1.3%

Fort Myers Beach Public Library District
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2022

NOTE 5 - STATE OF FLORIDA RETIREMENT PLANS (continued)

Discount Rate

The discount rate used to measure the total pension liability for the FRS Pension Plan was 6.70%. FRS'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 calculating the total pension liability is equal to the long-term expected rate of return.

Because the HIS Program is essentially funded on a pay-as-you-go basis, a municipal bond rate of 3.54% was used to determine the total pension liability for the program. The Bond Buyer General Obligation Bond 20-Bond Municipal Bond Index was used as the applicable municipal bond index.

Sensitivity Analysis

The following table demonstrates the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the employer's proportionate share of the net pension liability if the discount rate was 1.00% higher or 1.00% lower than the current discount rate.

	FRS		
	Current		
	1% Decrease (5.70%)	Discount Rate (6.70%)	1% Increase (7.70%)
District's proportionate share of the net pension liability	\$ 1,010,956	\$ 584,560	\$ 338,007
	HIS		
	Current		
	1% Decrease (2.54%)	Discount Rate (3.54%)	1% Increase (4.54%)
District's proportionate share of the net pension liability	\$ 167,871	\$ 146,730	\$ 128,251

Pension Plans' Fiduciary Net Position

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

Defined Contribution Plan

Pursuant to Chapter 121, Florida Statutes, the Florida Legislature created the Florida Retirement Investment Plan ("FRS Investment Plan"), a defined contribution pension plan qualified under Section 401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative available to members of the Florida Retirement System in lieu of the defined benefit plan. There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class. FRS Investment Plan contributions for the fiscal year ended September 30, 2022 totaled \$16,745.

Fort Myers Beach Public Library District
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2022

NOTE 6 - COMMITMENTS AND CONTINGENCIES

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

NOTE 7 - OTHER POSTEMPLOYMENT BENEFITS (OPEB)

The District provides insurance (medical, dental and prescription drug) benefits to its current full-time ALA accredited employees and offers all vested (vested is defined by the District's retirement plan) former employees the option of receiving these same benefits provided they pay 100% of the premium. Therefore, the District's only OPEB liability is for the implicit rate subsidy offered to the retiree. An implicit rate subsidy is the difference between a premium rate charged to retirees for a particular benefit and the estimated rate that would be applicable to those retirees if that benefit was acquired for them as a separate group. As of September 30, 2022, 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, 2022.

NOTE 8 - SUBSEQUENT EVENTS

The District evaluated events and transactions after September 30, 2022 through June 22, 2023, the date the financial statements were available to be issued, for subsequent events and determined that the following events should be disclosed.

On September 28, 2022, Hurricane Ian made landfall along the Southwest Coast of Florida. The District was impacted by this storm with nearly fourteen feet of storm surge, flooding the lobby and three feet of the first floor, as well as damage to the exterior of the building. The cost of the clean up effort is partially reimbursable by the Federal Emergency Management Administration (FEMA) and the State of Florida Department of Emergency Management (FDEM). SynergyNDS, through FMIT, is providing recovery support for this storm. The District is currently working with the insurance carrier, FEMA, and FDEM to finalize a complete damage inventory. To date, the claim is over \$4.9 million dollars in asset damages. In addition to the damage to the District owned properties, many citizens and business owners incurred substantial damage or total loss of their buildings. The District anticipates a reduction in tax revenues in fiscal year 2023 due to tax relief refunds and a reduction in ad valorem tax revenue for fiscal year 2024 due to the damage.

Required Supplementary
Information

Fort Myers Beach Public Library District
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
For the Fiscal Year Ended September 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Ad valorem taxes	\$ 1,300,768	\$ 1,300,768	\$ 1,259,892	\$ (40,876)
Books and magazines reimbursed	500	500	410	(90)
Copy/Fax machine revenue	5,000	5,000	4,876	(124)
Donations and gifts	40,000	40,000	47,192	7,192
Fines and fees	1,200	1,200	1,012	(188)
Interest	24,000	24,000	11,202	(12,798)
Miscellaneous	4,000	4,000	2,808	(1,192)
Rental revenue	4,000	4,000	7,705	3,705
Grants - State aid to libraries	15,000	15,000	17,395	2,395
Visitor cards	4,500	4,500	4,763	263
Total Revenues	<u>1,398,968</u>	<u>1,398,968</u>	<u>1,357,255</u>	<u>(41,713)</u>
Expenditures				
Personal Services				
Salaries and wages	510,000	551,000	525,349	25,651
Accumulated benefits	2,000	2,000	-	2,000
Payroll taxes	39,000	42,000	41,654	346
Retirement	81,000	85,500	84,860	640
Medical insurance	40,000	41,500	37,067	4,433
Total Personal Services	<u>672,000</u>	<u>722,000</u>	<u>688,930</u>	<u>33,070</u>
Operating Expenditures				
Library Expenditures				
Legal advertising	1,500	1,500	6,069	(4,569)
Membership and training	3,000	3,000	254	2,746
Operating supplies	11,500	11,500	7,948	3,552
Promotions and advertising	3,000	3,000	2,877	123
Travel and per diem	2,000	2,000	-	2,000
Total Library Expenditures	<u>21,000</u>	<u>21,000</u>	<u>17,148</u>	<u>3,852</u>
Plant & Equipment				
Contractual services	92,000	92,000	67,850	24,150
Insurance	85,000	85,000	78,639	6,361
Professional data/e-books	50,000	50,000	46,000	4,000
Repair & maintenance services	90,000	90,000	123,713	(33,713)
Repair & maintenance expense	10,000	10,000	2,962	7,038
Utilities	45,000	45,000	55,899	(10,899)
Total Plant & Equipment	<u>372,000</u>	<u>372,000</u>	<u>375,063</u>	<u>(3,063)</u>

Fort Myers Beach Public Library District
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
For the Fiscal Year Ended September 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final</u>
	<u>Original</u>	<u>Final</u>		
Expenditures-continued				
Operating Expenditures-continued				
Administrative Expenditures				
Accounting services	10,000	10,000	10,275	(275)
Bank fees	50	50	128	(78)
Computer	1,000	1,000	2,620	(1,620)
Copier/Fax	1,200	1,200	1,790	(590)
Equipment - other	4,500	4,500	3,874	626
Internet access	10,000	10,000	1,760	8,240
Lee Co. Property Appraiser fee	8,600	8,600	7,679	921
Lee Co. Tax Collector fee	26,015	26,015	18,319	7,696
Miscellaneous	1,000	1,000	-	1,000
Office supplies	3,500	3,500	711	2,789
Postage	500	500	330	170
Professional services	5,500	5,500	1,000	4,500
Special district fee	200	200	175	25
Telephone	4,000	4,000	4,171	(171)
Total Administrative Expenditures	<u>76,065</u>	<u>76,065</u>	<u>52,832</u>	<u>23,233</u>
Total Operating Expenditures	<u>469,065</u>	<u>469,065</u>	<u>445,043</u>	<u>24,022</u>
Capital Outlay				
Audio/video purchases	20,000	20,000	17,509	2,491
Book purchases	52,000	52,000	47,012	4,988
Book purchases - state aid	15,000	15,000	14,750	250
Building improvements	3,000	3,000	-	3,000
Furniture and equipment	20,000	20,000	-	20,000
Improvements other than buildings	2,000	2,000	-	2,000
Sign	500	500	-	500
Total Capital Outlay	<u>112,500</u>	<u>112,500</u>	<u>79,271</u>	<u>33,229</u>

Fort Myers Beach Public Library District
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
For the Fiscal Year Ended September 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final</u>
	<u>Original</u>	<u>Final</u>		
Expenditures-continued				
Reserves				
Building replacement reserves	58,003	8,003	-	8,003
Catastrophe fund	44,000	44,000	-	44,000
Solar reserves	43,400	43,400	-	43,400
Total Reserves	<u>145,403</u>	<u>95,403</u>	<u>-</u>	<u>95,403</u>
Total Expenditures	<u>1,398,968</u>	<u>1,398,968</u>	<u>1,213,244</u>	<u>185,724</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	144,011	<u>\$ 144,011</u>
Fund Balance, October 1, 2021			<u>6,018,845</u>	
Fund Balance, September 30, 2022			<u>\$ 6,162,856</u>	

Fort Myers Beach Public Library District
SCHEDULE OF DISTRICT CONTRIBUTIONS
For the Fiscal Year Ended September 30, 2022

Last Nine Fiscal Years

Florida Retirement System (FRS)

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 60,206	\$ 56,831	\$ 44,436	\$ 48,939	\$ 43,045	\$ 36,616	\$ 39,215	\$ 36,204	\$ 34,164
Contributions in relation to contractually require contribution	(60,206)	(56,831)	(44,436)	(48,939)	(43,045)	(36,616)	(39,215)	(36,204)	(34,164)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 369,089	\$ 398,189	\$ 329,671	\$ 399,607	\$ 391,353	\$ 340,967	\$ 364,694	\$ 350,843	\$ 351,386
Contributions as a percentage of covered-employee payroll	16.31%	14.27%	13.48%	12.25%	11.00%	10.74%	10.75%	10.32%	9.72%

Note: Data was unavailable prior to 2014.

Health Insurance Subsidy Program (HIS)

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 8,891	\$ 8,591	\$ 7,150	\$ 8,119	\$ 7,707	\$ 6,189	\$ 6,453	\$ 5,260	\$ 4,863
Contributions in relation to contractually require contribution	(8,891)	(8,591)	(7,150)	(8,119)	(7,707)	(6,189)	(6,453)	(5,260)	(4,863)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 535,599	\$ 517,546	\$ 430,727	\$ 489,102	\$ 464,258	\$ 372,821	\$ 388,754	\$ 389,987	\$ 390,590
Contributions as a percentage of covered-employee payroll	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.35%	1.25%

Note: Data was unavailable prior to 2014.

Fort Myers Beach Public Library District
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
For the Fiscal Year Ended September 30, 2022

For the Last Nine Fiscal Years Ended June 30

Florida Retirement System (FRS)

	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability	0.001571%	0.001585%	0.001424%	0.001758%	0.001488%	0.001422%	0.001522%	0.001521%	0.001475%
District's proportionate share of the net pension liability	\$ 584,560	\$ 119,704	\$ 617,274	\$ 605,562	\$ 448,262	\$ 420,620	\$ 384,201	\$ 196,425	\$ 89,999
District's covered-employee payroll	\$ 371,314	\$ 386,111	\$ 333,153	\$ 403,357	\$ 369,564	\$ 342,738	\$ 370,148	\$ 361,694	\$ 368,487
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	157.43%	31.00%	185.28%	150.13%	121.29%	122.72%	103.80%	54.31%	24.42%
Plan fiduciary net position as a percentage of the total pension liability	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%	96.09%

Note: Data was unavailable prior to 2014.

Health Insurance Subsidy Program (HIS)

	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability	0.001385%	0.001411%	0.00123%	0.00146%	0.00132%	0.00117%	0.00128%	0.00129%	0.00135%
District's proportionate share of the net pension liability	\$ 146,730	\$ 173,080	\$ 150,723	\$ 163,192	\$ 140,013	\$ 124,778	\$ 148,840	\$ 132,061	\$ 126,400
District's covered-employee payroll	\$ 504,859	\$ 499,528	\$ 428,434	\$ 487,834	\$ 432,067	\$ 371,965	\$ 394,245	\$ 393,937	\$ 401,036
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	29.06%	34.65%	35.18%	33.45%	32.41%	33.55%	37.75%	33.52%	31.52%
Plan fiduciary net position as a percentage of the total pension liability	4.81%	3.56%	3.00%	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 Directors
Fort Myers Beach Public Library District
Fort Myers Beach, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities of Fort Myers Beach Public Library District, (the "District") as of and for the fiscal year ended September 30, 2022, 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 22, 2023.

Report on 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. 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.

Report on Compliance and Other Matters

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

Purpose of this Report

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

Ashley, Brown & Smith, CPAs

Punta Gorda, Florida
June 22, 2023

MANAGEMENT LETTER

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

Report on the Financial Statements

We have audited the financial statements of the Fort Myers Beach Public Library District, Florida, (the "District") as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated June 22, 2023.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards and Independent Accountant's Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated June 22, 2023, 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, 2022.

Financial Condition and Management

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

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

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

Special District Component Units

Section 10.554(1)(i)5.d., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 219.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the District reported:

- a. The total number of district employees compensated in the last pay period of the district's fiscal year is 15.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year is zero.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency is \$525,349.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency is zero.

Special District Component Units (Continued)

- e. Construction projects with a total cost of at least \$65,000 approved by the district that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as none.
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes, can be found on pages 26-28 of the financial statements.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7, Rules of the Auditor General, the District reported:

- a. The millage rate or rates imposed by the district is 0.2799.
- b. The total amount of ad valorem taxes collected by or on behalf of the district is \$1,259,892.
- c. The total amount of outstanding bonds issued by the district and the terms of such bonds is zero.

Additional Matters

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

Purpose of this Letter

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

Ashley, Brown & Smith, CPAs

Punta Gorda, Florida
June 22, 2023



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Independent Accountant's Examination Report

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

We have examined the Fort Myers Beach Public Library District's (the "District") compliance with Section 218.415, Florida Statutes, in regards to investments for the year ended September 30, 2022.

Management is responsible for the District's compliance with the specified requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the District complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the District complied with the specified requirements. The nature, timing and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the District's compliance with the specified requirements.

In our opinion, the District complied, in all material respects, with the aforementioned requirements during the year ended September 30, 2022.

Ashley, Brown & Smith, CPAs

Punta Gorda, Florida
June 22, 2023