

**FORT MYERS BEACH MOSQUITO
CONTROL DISTRICT**

September 30, 2020

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

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Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities of the Fort Myers Beach Mosquito Control District, (the "District") as of and for the fiscal year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

Auditor's Responsibility, continued

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities of the District as of September 30, 2020, and the respective changes in financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters - Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated September 2, 2021, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters included under the heading INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.

Ashley, Brown & Smith, CPAs

Punta Gorda, Florida
September 2, 2021

**MANAGEMENT'S
DISCUSSION & ANALYSIS**

Fort Myers Beach Mosquito Control District Management's Discussion and Analysis September 30, 2020

Our discussion and analysis of the Fort Myers Beach Mosquito Control District's financial performance provides an overview of the District's financial activities for the fiscal year ended September 30, 2020.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the 2020 fiscal year by \$118,534.
- The District's total net position increased by \$69,650.
- As of the close of the fiscal year 2020, the District reported ending fund balance of \$223,848, a increase of \$85,480 from the prior year. Of this amount, \$196,625 is available for spending at the District's discretion.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

THE FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities

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

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

**Fort Myers Beach Mosquito Control District
Management's Discussion and Analysis
September 30, 2020**

THE FINANCIAL STATEMENTS, CONTINUED

Fund Financial Statements

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

Notes to the Financial Statements

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The government-wide financial statements were designed so that the user could determine if the District is in a better or worse financial condition from the prior year. The following is a condensed summary of net position for the District for fiscal years 2020 and 2019.

Summary of Net Position
Fiscal Year Ended September 30,

	2020	2019
Assets		
Current and Other Assets	\$ 241,558	\$ 138,368
Capital Assets	72,756	63,847
Total Assets	314,314	202,215
Deferred Outflows of Resources	87,840	85,506
Total Assets and Deferred Outflows of Resources	402,154	287,721
Liabilities		
Current and Other Liabilities	17,710	-
Long-Term Liabilities	218,128	176,316
Total Liabilities	235,838	176,316
Deferred Inflows of Resources	47,782	62,521
Total Liabilities and Deferred Inflows of Resources	283,620	238,837
Net Position		
Invested in Capital Assets, Net of Related Debt	72,756	63,847
Unrestricted	45,778	(14,963)
Total Net Position	\$ 118,534	\$ 48,884

**Fort Myers Beach Mosquito Control District
Management's Discussion and Analysis
September 30, 2020**

Investment in capital assets totaled \$72,756, which represents 61.38 percent of total net position and is comprised of land, building and improvements, vehicles, seawalls, and furniture, fixtures and equipment, net of accumulated depreciation.

The following schedule reports the revenues, expenses, and changes in net position for the District for the 2020 and 2019 fiscal years:

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

	2020	2019
Revenues		
Ad Valorem taxes	\$ 397,712	\$ 221,527
Proceeds from sale of vehicle	12,500	429
Interest earnings	25	23
Total Revenues	410,237	221,979
Expenses		
Physical Environmental Services	340,587	328,757
Total Expenses	340,587	328,757
Increase in Net Position	69,650	(106,778)
Net Position – Beginning	48,884	155,662
Net Position – Ending	\$ 118,534	\$ 48,884

Total revenues increased \$188,258 or 84.81%, in comparison to prior year primarily due to the 73.74 percent increase in millage rate from fiscal year 2018-2019 to fiscal year 2019-2020.

Total expenses increased in comparison to the prior year by \$11,830 or 3.60 percent, due to increase of \$10,601 in personal services.

**Fort Myers Beach Mosquito Control District
Management's Discussion and Analysis
September 30, 2020**

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The following table provides a summary of net capital assets.

	2020	2019
Land	\$ 5,000	\$ 5,000
Buildings	66,217	46,522
Seawall	40,952	40,952
Motor Vehicles	78,226	97,656
Equipment	24,262	24,262
Total assets	214,657	214,392
Less: Accumulated depreciation	(141,901)	(150,545)
Total assets, net of depreciation	\$ 72,756	\$ 63,847

Debt

At September 30, 2020, the District's outstanding debt was comprised of accrued compensated absences in the amount of \$7,639, consistent with the prior year, and net pension liability in the amount of \$210,489.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND MILLAGE RATE

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

When preparing the District's budget for the 2020-2021 fiscal year, the Board of Commissioners adopted the millage rate of 0.1123 mills per \$1,000 which is a 12.41 percent increase from the 2019-2020 millage rate of \$0.0999.

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

Request for Information

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

**BASIC
FINANCIAL STATEMENTS**

Fort Myers Beach Mosquito Control District
Statement of Net Position
September 30, 2020

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

Current assets:	
Cash and cash equivalents	\$ 211,356
Taxes receivable	2,979
Inventory of chemicals, at cost	<u>27,223</u>
Total current assets	<u>241,558</u>
Noncurrent assets:	
Capital assets:	
Land	5,000
Buildings and improvements	66,217
Seawall	40,952
Motor vehicles	78,226
Furniture, fixtures, and equipment	24,262
Less accumulated depreciation	<u>(141,901)</u>
Total noncurrent assets (net)	<u>72,756</u>
Total assets	<u>314,314</u>
Deferred outflows of resources	<u>87,840</u>
Total assets and deferred outflows of resources	<u>402,154</u>

LIABILITIES AND DEFERRED INFLOWS OF RESOURCES

Current liabilities:	
Accounts payable	<u>17,710</u>
Total current liabilities	<u>17,710</u>
Noncurrent liabilities:	
Net pension liability	210,489
Accrued compensated absences	<u>7,639</u>
Total noncurrent liabilities	<u>218,128</u>
Total liabilities	<u>235,838</u>
Deferred inflows of resources	<u>47,782</u>
Total liabilities and deferred inflows of resources	<u>283,620</u>

NET POSITION

Invested in capital assets	72,756
Unrestricted	<u>45,778</u>
Total net position	<u><u>\$ 118,534</u></u>

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

Fort Myers Beach Mosquito Control District
Statement of Activities
For the fiscal year ended September 30, 2020

Function	Expenses	Program Revenues		Net Expenses and Changes in Net Position
		Charges for Services	Operating Grants	
Physical environment services	\$ 340,587	\$ -	\$ -	\$ (340,587)
		General Revenues:		
				397,712
				12,500
				25
		Total general revenue and special items		410,237
			Change in net position	69,650
		Net position - beginning, October 1, 2019		48,884
		Net position - ending, September 30, 2020		\$ 118,534

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

Fort Myers Beach Mosquito Control District
Balance Sheet
September 30, 2020

ASSETS

Cash and cash equivalents	\$ 211,356
Taxes receivable	2,979
Inventory of chemicals, at cost	<u>27,223</u>
Total assets	<u><u>\$ 241,558</u></u>

LIABILITIES & FUND BALANCE

Accounts payable	<u>\$ 17,710</u>
Total liabilities	<u>17,710</u>

FUND BALANCE

Unassigned	196,625
Nonspendable	<u>27,223</u>
Total fund balance	<u>223,848</u>
Total liabilities and fund balance	<u><u>\$ 241,558</u></u>

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

Fort Myers Beach Mosquito Control District
Reconciliation of the Balance Sheet to the Statement of Net Position
September 30, 2020

Fund Balance	\$	223,848
Deferred inflows and outflows related to pensions are reported on the Statement of Net Position, but do not require the use of current financial resources and are not reported on the fund financial statements.		40,058
Capital assets used in governmental activities are not financial resources and are therefore not reported on the balance sheet		72,756
Liabilities that are not due within the current period are not reflected as liabilities on the fund financial statements, however, the following liabilities are reflected on the statement of net position:		
Compensated absences		(7,639)
Net pension liability		(210,489)
Net Position	\$	118,534

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

Fort Myers Beach Mosquito Control District
Statement of Revenues, Expenditures and Changes in Fund Balance
For the fiscal year ended September 30, 2020

Revenues:	
Ad Valorem taxes	\$ 397,712
Proceeds from sale of vehicle	12,500
Interest earnings	25
Total revenues	410,237
Expenditures:	
Current	
Physical environment services	
Personal services	197,847
Operating expenditures	107,215
Capital outlay	19,695
Total expenditures	324,757
Excess of expenditures over (under) revenues	85,480
Fund balance, October 1, 2019	138,368
Fund balance, September 30, 2020	\$ 223,848

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

**Fort Myers Beach Mosquito Control District
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balance to the Statement of Activities
For the fiscal year ended September 30, 2020**

Net change in fund balance	\$	85,480
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The increase in pension expense is reported in the Statement of Activities, but does not require a use of current financial resources and is not reported as an expenditure in the fund financial statements.

		(22,183)
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In the statement of activities, changes in compensated absences is measured by the amounts earned during the year. However, in the governmental funds, expenditures for these items are measured by the amount of financial resources used. This amount represents the decrease in the accrual of compensated absences.

		(2,556)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. In addition, gains and losses on the disposition of fixed assets are recorded on the statement of activities, however, they are not reported on the statement of revenues expenditures and changes in net position. These amounts are as follows:

Depreciation expense	(10,786)	
Capital outlay expenditure	19,695	
		8,909

Change in net position	\$	69,650
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The accompanying notes are an integral and essential part of these financial statements.

Fort Myers Beach Mosquito Control District
Notes to the Financial Statements
September 30, 2020

1. Summary of Significant Accounting Policies:

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

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

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

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

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

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

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

Fort Myers Beach Mosquito Control District
Notes to the Financial Statements
September 30, 2020

1. Summary of Significant Accounting Policies, continued

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

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

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

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

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

Governmental fund financial statements are reported using the current financial resources management focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period and soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers tax revenues to be available if they are collected within sixty days of the end of the current fiscal period.

Revenues susceptible to accrual is ad valorem taxes. Property taxes are recorded as revenues in the fiscal year in which they are levied, provided that they are collected in the current period or within sixty days thereafter.

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

Fort Myers Beach Mosquito Control District
Notes to the Financial Statements
September 30, 2020

1. Summary of Significant Accounting Policies, continued

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

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

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

Deferred Outflows/Inflows of Resources: Deferred outflows of resources represent a consumption of net position that applies to a future period and therefore will not be recognized as expended until then. The District presents deferred outflows associated with pensions to be expensed over future periods. Deferred inflows of resources is defined as an acquisition of position by the government that is applicable to a future reporting period. The District presents deferred inflows of resources related to pensions.

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

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

Fort Myers Beach Mosquito Control District
Notes to the Financial Statements
September 30, 2020

1. Summary of Significant Accounting Policies, continued

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

Compensated Absences: The District's employees accumulate annual leave based on the number of years of continuous service. Upon termination of employment, employees can receive payment for accumulated leave, if they meet certain criteria. The maximum number of hours that an employee can be compensated for is 200, with the excess hours available to be taken as paid leave. As of September 30, 2020, total accumulated absences was \$7,639.

Net Position: Government-wide statements utilize an economic resources measurement focus and categorize net position among the following components:

Invested in Capital Assets, Net of Related Debt: The portion of net position which represents the District's equity in capital assets, less the amount of related debt.

Unrestricted Net Position: The portion of net position which is available for general operations.

Fund Balance: In the fund financial statements, governmental funds report fund classification that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The components of fund balance are:

Nonspendable Fund Balance: Include amounts that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact. The District considers inventory as part of this category.

Unassigned Fund Balance: The residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, limited or assigned to specific purposes within the general fund.

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

1. During the summer, the Director submits to the Board of Commissioners for their consideration a proposed operating budget for the fiscal year commencing on October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.

Fort Myers Beach Mosquito Control District
Notes to the Financial Statements
September 30, 2020

1. Summary of Significant Accounting Policies, continued

Budgets and Budgetary Accounting, continued:

3. Prior to October 1, the budget is adopted through a resolution by the Board of Commissioners. The budget is then approved by the Florida Department of Agriculture and Consumer Services, Bureau of Entomology and Pest Control (the "Department") by October 31.
4. Budget transfers and amendments can be made throughout the year by approval of the Board of Commissioners and the Department.
5. Budget amounts, as shown in the Required Supplementary Information, are as originally adopted, and as amended by the Board of Commissioners and approved by the Department.
6. The budget for the Governmental Fund Type is adopted on a cash basis, which is inconsistent with accounting principles generally accepted in the United States of America.
7. The level of control for appropriations is exercised at the activity level.

2. Cash and Investments:

At September 30, 2020, the carrying amount of the District's deposits was \$211,356 and the bank balance was \$212,201. These deposits were entirely covered by Federal Depository Insurance or by collateral pursuant to the Florida Security for Public Deposits Act (Florida Statutes Chapter 280). Florida Statutes authorize investments in certificates of deposit, savings accounts, repurchase agreements, the Local Government Surplus Funds Trust Fund administered by the Florida State Board of Administration, obligations of the U.S. Government and government agencies unconditionally guaranteed by the U.S. Government. The District's investment policy permits the investment in savings accounts and certificates of deposit with state-certified, qualified public depositories.

3. Property Taxes:

Property taxes are levied on November 1 of each year, and are due and payable upon receipt of the notice of levy. The Lee County, Florida, Tax Collector's office bills and collects property taxes on behalf of the District. The tax rate levied upon all of the taxable property within the District for mosquito control for the fiscal year ended September 30, 2020 was \$0.0999 per \$1,000 of assessed taxable property value. Property tax revenue is recognized currently in the fiscal year for which the taxes are levied. On April 1 of each year, unpaid taxes become a lien on the property. The past due tax certificates are sold at public auction prior to June 1, and the proceeds thus collected are remitted to the District.

Fort Myers Beach Mosquito Control District
Notes to the Financial Statements
September 30, 2020

4. Changes in General Fixed Assets:

A summary of changes in general fixed assets follows:

	Balance Oct. 1, 2019	Additions	Deletions	Balance Sept. 30, 2020
Capital assets not being depreciated:				
Land	\$ 5,000	\$ -	\$ -	\$ 5,000
Total capital assets not being depreciated:	5,000	-	-	5,000
Capital assets being depreciated:				
Buildings and improvements	46,522	19,695	-	66,217
Seawall	40,952	-	-	40,952
Motor vehicles	97,656	-	(19,430)	78,226
Furniture, fixtures, & equipment	24,262	-	-	24,262
Total capital assets being depreciated:	209,392	19,695	(19,430)	209,657
Less: Accumulated depreciation	(150,545)	(10,786)	19,430	(141,901)
Capital assets, net	<u>\$ 63,847</u>	<u>\$ 8,909</u>	<u>\$ -</u>	<u>\$ 72,756</u>

5. Changes in General Long-Term Debt:

The following is a summary of changes in the District's general long-term debt for the year ended September 30, 2020:

	Balance Oct. 1, 2019	Additions	Reductions	Balance Sept. 30, 2020
Compensated Absences	\$ 5,083	\$ 7,384	\$ (4,828)	\$ 7,639
Net Pension Liability- Pension Plan	135,439	59,066	(22,484)	172,021
Net Pension Liability- HIS Plan	35,794	6,349	(3,675)	38,468
Total Long Term Liabilities	<u>\$ 176,316</u>	<u>\$ 72,799</u>	<u>\$ (30,987)</u>	<u>\$ 218,128</u>

6. Commitments and Contingencies:

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

Fort Myers Beach Mosquito Control District
Notes to the Financial Statements
September 30, 2020

7. Implementation of GASB Statement No. 75

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

The District provides insurance (medical, dental and vision) benefits to its current full-time ALA accredited employees and offers all vested (vested is defined by the District's retirement plan) former employees the option of receiving these same benefits provided they pay 100% of the premium. Therefore, the District's only OPEB liability is for the implicit rate subsidy offered to the retiree. An implicit rate subsidy is the difference between a premium rate charged to retirees for a particular benefit and the estimated rate that would be applicable to those retirees if that benefit was acquired for them as a separate group. As of September 30, 2020, 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, 2020.

8. 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.

Fort Myers Beach Mosquito Control District
Notes to the Financial Statements
September 30, 2020

8. State of Florida Retirement Plans

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.

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, 2020, were as follows:

	<u>FRS</u>	<u>HIS</u>
Regular class	10.00%	1.66%
Special risk class	24.45%	1.66%
Senior management service class	27.29%	1.66%
Elected officials	49.18%	1.66%
DROP from FRS	16.98%	1.66%

The employer's contributions for the year ended September 30, 2020, were \$13,494 to the FRS Pension Plan and \$1,824 to this HIS Program.

Pension Liabilities and Pension Expense

In its financial statements for the year ended September 30, 2020, 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, 2020. 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.

	<u>FRS</u>	<u>HIS</u>
Net pension liability	\$ 172,021	\$ 38,468
Proportion at:		
Current measurement date	0.000397%	0.000315%
Prior measurement date	0.000393%	0.000320%
Pension expense	\$ 22,071	\$ 114

Fort Myers Beach Mosquito Control District
Notes to the Financial Statements
September 30, 2020

8. State of Florida Retirement Plans

Deferred Outflows/Inflows of Resources Related to Pensions

At September 30, 2020, 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	\$ 6,584	\$ -	\$ 1,574	\$ (30)
Change of assumptions	31,141	-	4,136	(2,237)
Net difference between projected and actual earnings on pension plan investments	10,242	-	31	-
Changes in proportion and differences between District contributions and proportionate share of contributions	3,641	(11,421)	2,129	(6,120)
District contributions subsequent to the measurement date	3,771	-	456	-
	<u>\$ 55,379</u>	<u>\$ (11,421)</u>	<u>\$ 8,326</u>	<u>\$ (8,387)</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, 2021. 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
2021	\$ 6,385	\$ (257)
2022	11,488	(542)
2023	12,078	(1,230)
2024	8,266	406
2025	1,970	647
Thereafter	-	459
	<u>\$ 40,187</u>	<u>\$ (517)</u>

Fort Myers Beach Mosquito Control District
Notes to the Financial Statements
September 30, 2020

8. State of Florida Retirement Plans

Actuarial Assumptions

The total pension liability for each of the defined benefit plans was measured as of June 30, 2020. The total pension liability for the FRS Pension Plan was determined by an actuarial valuation dated July 1, 2020. The individual entry age normal actuarial cost method was used for each plan, along with the following significant actuarial assumptions:

	FRS	HIS
Inflation	2.40%	2.40%
Salary increases	3.25%	3.25%
Investment rate of return	6.80%	N/A
Discount rate	6.80%	2.21%

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

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 following changes in key actuarial assumptions occurred in 2020:

FRS: The long-term expected rate of return and the discount rate used to determine the total pension liability decreased from 6.90% to 6.80%.

HIS: The municipal bond index rate and the discount rate used to determine the total pension liability decreased from 3.50% to 2.21%.

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.

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.2%	2.2%	1.2%
Fixed income	19.0%	3.0%	2.9%	3.5%
Global equity	54.2%	8.0%	6.7%	17.1%
Real estate (property)	10.3%	6.4%	5.8%	11.7%
Private equity	11.1%	10.8%	8.1%	25.7%
Strategic investments	4.4%	5.5%	5.3%	6.9%
Total	100.0%			
Assumed Inflation - Mean			2.4%	1.7%

Fort Myers Beach Mosquito Control District
Notes to the Financial Statements
September 30, 2020

8. State of Florida Retirement Plans

Discount Rate

The discount rate used to measure the total pension liability for the FRS Pension Plan was 6.80%. 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 2.21% 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		
	1% Decrease	Current	1% Increase
	(5.80%)	Discount Rate (6.80%)	(7.80%)
District's proportionate share of the net pension liability	\$ 274,689	\$ 172,021	\$ 107,726

	HIS		
	1% Decrease	Current	1% Increase
	(1.21%)	Discount Rate (2.21%)	(3.21%)
District's proportionate share of the net pension liability	\$ 44,467	\$ 38,468	\$ 33,278

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, 2020 totaled \$2,814.

Fort Myers Beach Mosquito Control District
Notes to the Financial Statements
September 30, 2020

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

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

	<u>Budget Basis</u>	<u>GAAP Basis</u>
Revenues:		
Ad Valorem taxes	388,571	397,712
Proceeds from sale of vehicle	-	12,500
Expenditures:		
Payroll taxes and benefits	84,803	87,997
Operating	71,673	68,018
Lee County Tax Commission	-	7,966
Chemicals	-	1,760
Other Charges	1,257	2,432
Insurance	15,157	15,429
Capital outlay	7,195	19,695

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

**REQUIRED SUPPLEMENTAL
INFORMATION**

Fort Myers Beach Mosquito Control District
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Non-GAAP
For the fiscal year ended September 30, 2020

	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Ad Valorem taxes	\$ 409,312	\$ 409,312	\$ 388,571	\$ (20,741)
Interest	49	49	25	(24)
Total Revenues	<u>409,361</u>	<u>409,361</u>	<u>388,596</u>	<u>(20,765)</u>
Expenditures:				
Current				
Physical environment services				
Personal services				
Salaries and wages	109,852	109,852	109,850	2
Payroll taxes and benefits	83,000	85,000	84,803	197
Operating expenditures				
Operating	74,328	77,328	71,673	5,655
Travel and per diem	6,000	6,000	2,272	3,728
Communication Service	1,900	1,900	1,250	650
Utility Service	3,000	3,000	2,627	373
Insurance	18,000	18,000	15,157	2,843
Repairs and maintenance	61,000	61,000	1,215	59,785
Printing and binding	700	700	-	700
Promotional activities	650	650	180	470
Other charges	228	1,728	1,257	471
Office supplies	4,000	5,000	2,733	2,267
Gasoline, oil and lube	2,128	2,128	540	1,588
Chemicals	17,200	11,200	-	11,200
Publications and dues	1,000	1,000	505	495
Training	500	500	290	210
Capital outlay	35,000	33,500	7,195	26,305
Contingency	40,648	40,648	-	40,648
Reserves	74,531	74,531	-	74,531
Total expenditures	<u>533,665</u>	<u>533,665</u>	<u>301,547</u>	<u>232,118</u>
Excess of revenues over expenditures	(124,304)	(124,304)	87,049	(252,883)
Fund balance, Oct. 1, 2019	<u>124,304</u>	<u>124,304</u>	124,304	<u>-</u>
Fund balance, Sept. 30, 2020	<u>\$ -</u>	<u>\$ -</u>		<u>\$ (252,883)</u>

Fort Myers Beach Mosquito Control District
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Non-GAAP
For the fiscal year ended September 30, 2020

GAAP Reconciliation	
Ad valorem taxes	9,141
Proceeds from the sale of a vehicle	12,500
Personal services	
Payroll taxes and benefits	3,194
Operating expenditures	
Operating	(3,655)
Lee county tax commission	7,966
Miscellaneous	270
Other charges	1,175
Chemicals	1,760
Capital outlay	12,500
Excess of revenue over (under) expenditures	<u>(1,569)</u>
Adjustment to begining fund balance to tie to FY 2019 financial statements	<u>14,064</u>
Ending Fund Balance	<u><u>\$ 223,848</u></u>

**Fort Myers Beach Mosquito Control District
Schedule of District Contributions
For the Fiscal Year Ended September 30, 2020**

Last Seven Fiscal Years

Florida Retirement System (FRS)

	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 13,494	\$ 11,211	\$ 10,379	\$ 8,983	\$ 12,372	\$ 14,566	\$ 12,707
Contributions in relation to contractually require contribution	(13,494)	(11,211)	(10,379)	(8,983)	(12,372)	(14,566)	(12,707)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 81,712	\$ 80,547	\$ 77,848	\$ 66,067	\$ 109,633	\$ 123,552	\$ 119,853
Contributions as a percentage of covered-employee payroll	16.51%	13.92%	13.33%	13.60%	11.28%	11.79%	10.60%

Note: Data was unavailable prior to 2014.

Health Insurance Subsidy Program (HIS)

	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 1,824	\$ 1,791	\$ 1,733	\$ 1,524	\$ 2,062	\$ 1,710	\$ 1,516
Contributions in relation to contractually require contribution	(1,824)	(1,791)	(1,733)	(1,524)	(2,062)	(1,710)	(1,516)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 109,850	\$ 107,865	\$ 104,371	\$ 91,819	\$ 124,215	\$ 126,695	\$ 120,367
Contributions as a percentage of covered-employee payroll	1.66%	1.66%	1.66%	1.66%	1.66%	1.35%	1.26%

Note: Data was unavailable prior to 2014.

Fort Myers Beach Mosquito Control District
Schedule of the District's Proportionate Share of the Net Pension Liability - Pension Plan
For the Fiscal Year Ended September 30, 2020

For the Last Seven Fiscal Years Ended June 30

Florida Retirement System (FRS)

	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability	0.000397%	0.000393%	0.000389%	0.000375%	0.000550%	0.000590%	0.000464%
District's proportionate share of the net pension liability	\$ 172,021	\$ 135,439	\$ 117,296	\$ 110,823	\$ 138,886	\$ 76,166	\$ 28,334
District's covered-employee payroll	\$ 81,421	\$ 79,872	\$ 77,386	\$ 67,814	\$ 122,122	\$ 123,552	\$ 119,853
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	211.27%	169.57%	151.57%	163.42%	113.73%	61.65%	23.64%
Plan fiduciary net position as a percentage of the total pension liability	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)

	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability	0.000315%	0.000320%	0.000318%	0.000293%	0.000423%	0.000407%	0.002823%
District's proportionate share of the net pension liability	\$ 38,468	\$ 35,794	\$ 33,609	\$ 31,323	\$ 49,250	\$ 41,532	\$ 37,717
District's covered-employee payroll	\$ 109,354	\$ 106,992	\$ 103,716	\$ 93,378	\$ 130,455	\$ 123,552	\$ 119,853
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	35.18%	33.45%	32.40%	33.54%	37.75%	33.61%	31.47%
Plan fiduciary net position as a percentage of the total pension liability	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 Commissioners
Fort Myers Beach Mosquito Control District
Fort Myers Beach, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities of the Fort Myers Beach Mosquito Control District, (the "District") as of and for the fiscal year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated September 2, 2021.

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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of current year findings on page 38 that we consider to be material weaknesses.

Compliance and Other Matters

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

Compliance and Other Matters

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

Purpose of this Report

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

Ashley, Brown & Smith, CPAs

Punta Gorda, Florida
September 2, 2021

Fort Myers Beach Mosquito Control District
Schedule of Current Year Findings
For the Year Ended September 30, 2020

Finding 2020-001 - Lack of General Ledger Accounting (Material Weakness)

Criteria: To ensure that financial statements properly present the financial position and results of operations of the District in accordance with generally accepted accounting principles (GAAP), in addition to providing meaningful financial reports to District Commissioners and management, the District should ensure that all transactions are accurately entered into an general ledger system.

Condition: The District does not use a commercial general ledger accounting system. The District uses an excel spreadsheet that lists check payments that are categorized and listed in separate columns, and these separate columns are categorized as separate expenditure accounts. The spreadsheet columns are totaled each month. There is no balance sheet or revenue accounting in this excel spreadsheet. The District's accounting spreadsheet does not provide year-to-date general ledger totals for assets, liabilities, or revenues.

Cause: The District has difficulty in accurately preparing monthly or year-to-date financial statements on a timely basis.

Effect: The District is unable to properly review their year-to-date financial condition.

Recommendation: We recommend the District purchase, and use, a commercial general ledger accounting system, which will provide, at any point in time during the fiscal year, financial reports displaying year-to-date assets, liabilities, revenues, and expenditures.

Management's Response: Refer to Management's Response to the Management Letter on page 35.

Finding 2020-002 - Correction of Errors (Material Weakness)

Criteria: To ensure that financial statements properly present the financial position and results of operations of the District in accordance with generally accepted accounting principles (GAAP), in addition to providing meaningful financial reports to District Commissioners and management, the District should ensure that all material assets, liabilities, revenue, and expenditures are properly reflected at year-end.

Condition: During testing of the District's expenditures, we noted the need to increase revenues \$15,479, increase assets \$19,514, increase liabilities \$17,710 and increase expenditures \$13,675 as of September 30, 2020. We recommend that the District implement a review process on entries made at months end to better identify potential errors that may exist prior to distribution to the Board.

Cause: Managerial oversight and lack of a commercial general ledger accounting system caused these accounts to be misstated.

Effect: Audit adjustments were required to be posted for the fair presentation of the financial statements.

Recommendation: We recommend the District evaluate its period closing process to ensure subsidiary ledger reconciliations are being performed timely, properly, and are being reviewed by management.

Management's Response: Refer to Management's Response to the Management Letter on page 35.

MANAGEMENT LETTER

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

Report on the Financial Statements

We have audited the financial statements of the Fort Myers Beach Mosquito Control District, (the "District"), as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated September 2, 2021.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards and Independent Accountant's Examination Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated September 2, 2021, 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, 2020.

Financial Condition and Management

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

Pursuant to Sections 10.554(1)(i)5.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 had two recommendations to improve financial management as detailed in the accompanying schedule of current year finding and responses at finding 2020-01 and finding 2020-02.

Special District Component Units

Section 10.554(1)(i)5.c., 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 218.39(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.

Additional Matters

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

Purpose of this Letter

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

Ashley, Brown & Smith, CPAs

Punta Gorda, Florida
September 2, 2021

Independent Accountant's Examination Report

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

Report on Compliance

We have examined the Fort Myers Beach Mosquito Control District's (the "District") compliance with the local government investment policy requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2020. 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, 2020.

The purpose of this report is to comply with the audit requirements of Sections 218.415, Florida Statutes and Rules of the Auditor General.

Ashley, Brown & Smith, CPAs

Punta Gorda, Florida
September 2, 2021

Fort Myers Beach Mosquito Control
300 Lazy Way, P O Box 2837
Fort Myers B 33932-2837
239-463-6350

Corrective Action Plan

September 2, 2021


In response to the 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, the District issues the following response:

Management Response to Finding 2020-001 - Lack of General Ledger Accounting

With respect to the Lack of General Ledger Accounting finding, we will follow auditor's advice to make improvements to our accounting system and in preparing the financial statements. We will consider purchasing, and using a Quickbooks software.

Management Response to Finding 2020-002 - Correction of Errors

With respect to the Correction of Errors finding, we will implement procedures to ensure that entries are reviewed and accounted for correctly.

	<i>Director</i>	<i>9-3-21</i>
SIGNED	TITLE	DATE