

**FORT MYERS BEACH
PUBLIC LIBRARY DISTRICT**

September 30, 2023

**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, 2023, 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, 2023, 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 27, 2024, 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 27, 2024

MANAGEMENT'S
DISCUSSION AND ANALYSIS

Fort Myers Beach Public Library District
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2023

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, 2023. 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 2023, the District's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources, resulting in net position of \$15,322,846.
- The District's total net position increased \$43,448, or 0.28 percent, in comparison to prior year.
- The District had \$1,553,811 of unassigned fund balance that can be used to meet the District's ongoing obligations.
- Total revenues increased \$653,923, or 48.18 percent, in comparison to prior year.
- Total expenses increased \$309,578, or 18.67 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, 2023

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 2023 and 2022.

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

	2023	2022
Assets		
Current and other assets	\$ 6,215,937	\$ 6,182,178
Capital assets	9,874,694	9,750,334
Total Assets	16,090,631	15,932,512
Deferred Outflows of Resources	200,265	254,128
Total Assets and Deferred Outflows of Resources	16,290,896	16,186,640
Liabilities		
Current liabilities	38,690	31,787
Compensated absences	58,861	56,669
Net Pension Liability	761,088	731,290
Total Liabilities	858,639	819,746
Deferred Inflows of Resources	109,411	87,496
Total Liabilities and Deferred Inflows of Resources	968,050	907,242
Net position		
Invested in capital assets	9,874,694	9,750,334
Unrestricted	5,448,152	5,529,064
Total Net Position	\$ 15,322,846	\$ 15,279,398

Fort Myers Beach Public Library District
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2023

Government-Wide Financial Analysis (continued)

Investment in capital assets totaled \$9,874,694, which represents 64.44 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 2023 and 2022 fiscal years:

Revenues	2023	2022
Ad valorem taxes	\$ 1,072,897	\$ 1,259,892
Grants	243,084	17,395
Charges for services	-	9,639
Insurance purchased fixed assets	497,709	-
Other	197,488	70,329
Total Revenues	2,011,178	1,357,255
Expenses		
Personal services	689,539	702,938
Depreciation	436,450	637,385
Operating expenditures	841,741	317,829
Total Expenses	1,967,730	1,658,152
Increase in Net Position	43,448	(300,897)
Net Position, Beginning of Year	15,279,398	15,580,295
Net Position, End of Year	\$ 15,322,846	\$ 15,279,398

Total revenues increased \$653,923 or 48.18 percent, in comparison to prior year primarily due to grant revenue of \$243,084 and fixed assets purchased on behalf of the District for \$497,709 in fiscal year 2023.

Total expenses increased in comparison to the prior year by \$309,578 or 18.67 percent, primarily due to rebuilding costs associated with Hurricane Ian.

Budgetary Highlights

The District adopts an annual budget as required by Florida Statute. There were no budget amendments in fiscal year 2023. Actual revenues were greater than final budgeted revenues by \$260,163. Actual expenditures were greater than budgeted expenditures by \$231,863.

Fort Myers Beach Public Library District
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2023

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	2023	2022
Land	\$ 1,273,270	\$ 1,273,270
Books, audio visual and artwork	1,217,446	1,160,772
Total Capital Assets Not Being Depreciated	2,490,716	2,434,042
Furniture, fixtures and equipment	1,234,227	730,091
Improvements	98,294	98,294
Buildings	10,178,043	10,178,043
Total Capital Assets Being Depreciated	11,510,564	11,006,428
 ACCUMULATED DEPRECIATION		
Furniture, fixtures and equipment	(733,536)	(562,368)
Improvements	(77,589)	(67,102)
Buildings	(3,315,461)	(3,060,666)
Total Accumulated Depreciation	(4,126,586)	(3,690,136)
Total Capital Assets Being Depreciated, net	7,383,978	7,316,292
 CAPITAL ASSETS, NET	 \$ 9,874,694	 \$ 9,750,334

Debt Administration

The District's outstanding debt is comprised of \$72,770 in compensated absences and \$761,008 in net pension liability.

Fort Myers Beach Public Library District
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2023

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 2023-2024 fiscal year, the Board of Directors approved a budget maintaining the current millage rate of 0.2355 mills per \$1,000.

A gradual increase in property values has had a 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, 2023

Assets

Current assets:

Cash and cash equivalents	\$ 6,215,937
Total Current Assets	6,215,937

Noncurrent assets:

Land	1,273,270
Books, audio visual and artwork	1,217,446
Furniture, fixtures, and equipment	1,234,227
Improvements	98,294
Buildings	10,178,043
Less accumulated depreciation	(4,126,586)
Total noncurrent assets (net)	9,874,694
Total assets	16,090,631

Deferred Outflows of Resources

Total assets and deferred outflows of resources	200,265
	16,290,896

Liabilities

Current liabilities:

Accounts payable	1,506
Accrued payroll and related liabilities	8,619
Due to other governments	14,111
Deposits	545
Current portion of long term debt	13,909
Total current liabilities	38,690

Noncurrent liabilities:

Net pension liability	761,088
Compensated absences	58,861
Total noncurrent liabilities	819,949
Total liabilities	858,639

Deferred Inflows of Resources

Total liabilities and deferred inflows of resources	109,411
	968,050

Net Position

Invested in capital assets	9,874,694
Unrestricted	5,448,152
Total net position	\$ 15,322,846

See accompanying Notes to Basic Financial Statements.

Fort Myers Beach Public Library District
STATEMENT OF ACTIVITIES
Fiscal Year Ended September 30, 2023

Program expenses:

Salaries and benefits	\$ 689,539
Operating	841,741
Depreciation	436,450
	1,967,730
Total program expenses	1,967,730

Program revenues:

Operating grants and contributions	243,084
	243,084
Total program revenue	243,084
Net program (expenses)	(1,724,646)

General revenues:

Property taxes	1,072,897
Investment income	119,966
Insurance purchased fixed assets	497,709
Miscellaneous	77,522
	1,768,094
Total general revenues	1,768,094
Change in net position	43,448
Net position - beginning, October 1, 2022	15,279,398
Net position - ending, September 30, 2023	\$ 15,322,846

See accompanying Notes to Basic Financial Statements.

Fort Myers Beach Public Library District
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2023

Assets

Cash and cash equivalents	\$ 6,215,937
Total assets	<u>\$ 6,215,937</u>

Liabilities and Fund Balance

Liabilities	
Accounts payable	\$ 1,506
Accrued payroll and related liabilities	8,619
Due to other governments	14,111
Deposits	<u>545</u>
Total liabilities	<u>24,781</u>

Fund balance

Assigned	
Catastrophe fund	1,023,110
Equipment and building replacement	2,146,981
Solar capital project fund	1,467,254
Unassigned	<u>1,553,811</u>
Total fund balance	<u>6,191,156</u>

Total liabilities and fund balance	<u>\$ 6,215,937</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, 2023

Total governmental funds balance		\$ 6,191,156
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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	172,598	
Deferred outflows related to HIS pension plan	27,667	
		200,265
Deferred inflows related to FRS pension plan	(61,395)	
Deferred inflows related to HIS pension plan	(48,016)	
		(109,411)

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

Cost of assets	\$ 14,001,280	
Accumulated depreciation	(4,126,586)	
		9,874,694

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	(761,088)	
Compensated absences	(72,770)	
		(833,858)

Total net position		\$ <u>15,322,846</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, 2023

Revenues	
Taxes	\$ 1,072,897
Grants	243,084
Donation and gifts	76,871
Interest	119,966
Miscellaneous	<u>651</u>
Total revenues	<u>1,513,469</u>
 Expenditures	
Public safety	
Personal services	580,327
Operating expenditures	
Library operating	6,329
Plant and equipment	738,349
Administrative	98,747
Capital outlay	<u>61,417</u>
Total expenditures	<u>1,485,169</u>
Net change in fund balance	28,300
Fund balance, beginning, October 1, 2022	<u>6,162,856</u>
Fund balance, ending, September 30, 2023	<u><u>\$ 6,191,156</u></u>

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, 2023

Net change in fund balance - total governmental fund	\$	28,300
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Amounts reported for governmental activities in the statement of activities are different because:

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	\$ (436,450)		
Insurance purchased fixed assets	497,709		
Capital outlay expenditures	<u>61,417</u>		122,676

Some expenses reported in the Statement of Activities do not require the use of current financial resources, and therefore not reported as expenditures in the governmental funds.

Increase in pension expense		(103,892)	
Increase in compensated absences		<u>(3,636)</u>	

Change in net position	\$	<u><u>43,448</u></u>
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See accompanying Notes to Basic Financial Statements.

Fort Myers Beach Public Library District
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2023

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.

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, 2023

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, 2023

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, 2023, the District had cash on hand of \$213. The District cash balance is comprised of a checking account with carrying/book balances and bank balances of \$1,579,337 and \$1,636,253, respectively. Additionally, the District held seven Certificates of Deposit with a financial institution with carrying/book balances and bank balances of values of \$4,637,345 and \$4,637,345, 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, 2023

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, 2023

NOTE 3 - CHANGES IN CAPITAL ASSETS

A summary of changes in general fixed assets follows:

	Balances October 1, 2022	Additions	Deletions	Balances September 30, 2023
Capital assets not depreciated:				
Land	\$ 1,273,270	\$ -	\$ -	\$ 1,273,270
Books, audio visual and artwork	1,160,772	56,674	-	1,217,446
Total capital assets not depreciated	<u>2,434,042</u>	<u>56,674</u>	<u>-</u>	<u>2,490,716</u>
Capital assets depreciated:				
Furniture, fixtures and equipment	730,091	504,136	-	1,234,227
Improvements	98,294	-	-	98,294
Buildings	10,178,043	-	-	10,178,043
Total capital assets depreciated	<u>11,006,428</u>	<u>504,136</u>	<u>-</u>	<u>11,510,564</u>
Less: Accumulated depreciation	<u>(3,690,136)</u>	<u>(436,450)</u>	<u>-</u>	<u>(4,126,586)</u>
Capital assets, net	<u>\$ 9,750,334</u>	<u>\$ 124,360</u>	<u>\$ -</u>	<u>\$ 9,874,694</u>

NOTE 4 - LONG TERM LIABILITIES

A summary of the changes in long term liabilities of the District for the year ended September 30, 2023 is as follows:

	Balance October 1, 2022	Additions	Reductions	Balance September 30, 2023	Amounts Due Within One Year
Compensated Absences	\$ 69,134	\$ 16,999	\$ (13,363)	\$ 72,770	\$ 13,909
Net Pension Liability- Pension Plan	584,560	144,223	(157,411)	571,372	-
Net Pension Liability- HIS Plan	146,730	77,677	(34,691)	189,716	-
Total Long Term Liabilities	<u>\$ 800,424</u>	<u>\$ 238,899</u>	<u>\$ (205,465)</u>	<u>\$ 833,858</u>	<u>\$ 13,909</u>

Fort Myers Beach Public Library District
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2023

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 \$45 and the maximum payment is \$225 per month, pursuant to Section 112.363, Florida Statutes.

Fort Myers Beach Public Library District
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2023

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, 2023, were as follows:

	FRS	HIS
Regular class	13.57%	2.00%
Special risk class	32.67%	2.00%
Senior management service class	34.52%	2.00%
Elected officials	58.68%	2.00%
DROP from FRS	21.13%	2.00%

The employer's contributions for the year ended September 30, 2023, were \$67,061 to the FRS Pension Plan and \$7,574 to this HIS Program.

Pension Liabilities and Pension Expense

In its financial statements for the year ended September 30, 2023, 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, 2023. 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	\$ 571,372	\$ 189,716
Proportion at:		
Current measurement date	0.001434%	0.001195%
Prior measurement date	0.001571%	0.001385%
Pension expense	\$ 43,499	\$ 62,077

Fort Myers Beach Public Library District
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2023

NOTE 5 - STATE OF FLORIDA RETIREMENT PLANS (continued)

Deferred Outflows/Inflows of Resources Related to Pensions

At September 30, 2023, 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	\$ 53,647	\$ -	\$ 2,777	\$ (445)
Change of assumptions	37,247	-	4,988	(16,440)
Net difference between projected and actual earnings on pension plan investments	23,862.00	-	98	-
Changes in proportion and differences between District contributions and proportionate share of contributions	36,407	(61,395)	17,351	(31,131)
District contributions subsequent to the measurement date	21,435	-	2,453	-
	<u>\$ 172,598</u>	<u>\$ (61,395)</u>	<u>\$ 27,667</u>	<u>\$ (48,016)</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, 2024. 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
2024	\$ 11,229	\$ (1,876)
2025	(15,011)	(2,709)
2026	91,977	(5,346)
2027	1,226	(6,446)
2028	347	(5,266)
Thereafter	-	(1,159)
	<u>\$ 89,768</u>	<u>\$ (22,802)</u>

Fort Myers Beach Public Library District
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2023

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, 2023. The total pension liability for the FRS Pension Plan was determined by an actuarial valuation dated July 1, 2023. 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	6.70%	N/A
Discount rate	6.70%	3.65%

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.

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.9%	2.9%	1.1%
Fixed income	19.8%	4.5%	4.4%	3.4%
Global equity	54.0%	8.7%	7.1%	18.1%
Real estate (property)	10.3%	7.6%	6.6%	14.8%
Private equity	11.1%	11.9%	8.8%	26.3%
Strategic investments	3.8%	6.3%	6.1%	7.7%
Total	100.0%			
Assumed Inflation - Mean			2.4%	1.4%

Fort Myers Beach Public Library District
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2023

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 3.65% 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	\$ 976,020	\$ 571,372	\$ 334,487
	HIS		
	Current		
	1% Decrease (2.65%)	Discount Rate (3.65%)	1% Increase (4.65%)
District's proportionate share of the net pension liability	\$ 230,506	\$ 189,716	\$ 156,144

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, 2023 totaled \$10,315.

Fort Myers Beach Public Library District
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2023

NOTE 6 - COMMITMENTS AND CONTINGENCIES

The District purchases liability and casualty insurance coverage from commercial carriers with coverages and deductibles in amounts the District 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, 2023, 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, 2023.

NOTE 8 - OVERBUDGET

The District adopts an annual budget as required by Florida Statute. The final budgeted expenditures were \$1,253,306 and the actual expenditures were \$1,485,169, which represents a negative variance of \$231,863 or 18.50%.

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, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Ad valorem taxes	\$ 1,216,306	\$ 1,216,306	\$ 1,072,897	\$ (143,409)
Donations and gifts	10,000	10,000	76,871	66,871
Interest	10,000	10,000	119,966	109,966
Miscellaneous	-	-	651	651
Grants	17,000	17,000	243,084	226,084
Total Revenues	<u>1,253,306</u>	<u>1,253,306</u>	<u>1,513,469</u>	<u>260,163</u>
Expenditures				
Personal Services				
Salaries and wages	461,330	461,330	428,082	33,248
Accumulated benefits	2,000	2,000	6,983	(4,983)
Payroll taxes	39,000	39,000	32,198	6,802
Retirement	87,500	87,500	85,035	2,465
Medical insurance	22,500	22,500	28,029	(5,529)
Total Personal Services	<u>612,330</u>	<u>612,330</u>	<u>580,327</u>	<u>32,003</u>
Operating Expenditures				
Library Expenditures				
Legal advertising	3,000	3,000	1,880	1,120
Membership and training	1,500	1,500	2,304	(804)
Operating supplies	8,500	8,500	1,403	7,097
Promotions and advertising	3,000	3,000	-	3,000
Travel and per diem	2,000	2,000	742.00	1,258
Total Library Expenditures	<u>18,000</u>	<u>18,000</u>	<u>6,329</u>	<u>11,671</u>
Plant & Equipment				
Contractual services	80,000	80,000	343,814	(263,814)
Insurance	100,000	100,000	287,678	(187,678)
Professional data/e-books	50,000	50,000	21,506	28,494
Repair & maintenance services	80,000	80,000	75,155	4,845
Repair & maintenance expense	7,500	7,500	173	7,327
Utilities	20,000	20,000	10,023	9,977
Total Plant & Equipment	<u>337,500</u>	<u>337,500</u>	<u>738,349</u>	<u>(400,849)</u>
Administrative Expenditures				
Accounting services	11,000	11,000	11,875	(875)
Bank fees	50	50	25	25
Computer	1,300	1,300	1,496	(196)
Copier/Fax	2,000	2,000	170	1,830
Equipment - other	14,500	14,500	39,347	(24,847)

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, 2023

	<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-continued				
Internet access	10,000	10,000	5,452	4,548
Lee Co. Property Appraiser fee	8,600	8,600	8,828	(228)
Lee Co. Tax Collector fee	24,326	24,326	21,306	3,020
Miscellaneous	1,000	1,000	1,455	(455)
Office supplies	1,500	1,500	579	921
Postage	500	500	507	(7)
Professional services	35,000	35,000	4,605	30,395
Special district fee	200	200	175	25
Telephone	4,000	4,000	2,927	1,073
Total Administrative Expenditures	<u>113,976</u>	<u>113,976</u>	<u>98,747</u>	<u>15,229</u>
Total Operating Expenditures	<u>469,476</u>	<u>469,476</u>	<u>843,425</u>	<u>(373,949)</u>
Capital Outlay				
Audio/video purchases	20,000	20,000	8,339	11,661
Book purchases	52,000	52,000	46,651	5,349
Book purchases - state aid	17,000	17,000	-	17,000
Furniture and equipment	7,500	7,500	6,427	1,073
Total Capital Outlay	<u>96,500</u>	<u>96,500</u>	<u>61,417</u>	<u>35,083</u>
Reserves				
Building replacement reserves	25,000	25,000	-	25,000
Catastrophe fund	25,000	25,000	-	25,000
Solar reserves	25,000	25,000	-	25,000
Total Reserves	<u>75,000</u>	<u>75,000</u>	<u>-</u>	<u>75,000</u>
Total Expenditures	<u>1,253,306</u>	<u>1,253,306</u>	<u>1,485,169</u>	<u>(231,863)</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	28,300	<u>\$ 28,300</u>
Fund Balance, October 1, 2022			<u>6,162,856</u>	
Fund Balance, September 30, 2023			<u>\$ 6,191,156</u>	

Fort Myers Beach Public Library District
SCHEDULE OF DISTRICT CONTRIBUTIONS
For the Fiscal Year Ended September 30, 2023

Last Ten Fiscal Years

Florida Retirement System (FRS)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 67,061	\$ 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	(67,061)	(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	\$ 334,434	\$ 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	20.05%	16.31%	14.27%	13.48%	12.25%	11.00%	10.74%	10.75%	10.32%	9.72%

Health Insurance Subsidy Program (HIS)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 7,574	\$ 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	(7,574)	(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	\$ 430,857	\$ 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	1.76%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.35%	1.25%

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, 2023
For the Last Ten Fiscal Years Ended June 30

Florida Retirement System (FRS)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability	0.001434%	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	\$ 571,372	\$ 584,560	\$ 119,704	\$ 617,274	\$ 605,562	\$ 448,262	\$ 420,620	\$ 384,201	\$ 196,425	\$ 89,999
District's covered-employee payroll	\$ 340,534	\$ 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	167.79%	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	82.38%	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%	96.09%

Health Insurance Subsidy Program (HIS)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability	0.001195%	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	\$ 189,716	\$ 146,730	\$ 173,080	\$ 150,723	\$ 163,192	\$ 140,013	\$ 124,778	\$ 148,840	\$ 132,061	\$ 126,400
District's covered-employee payroll	\$ 473,263	\$ 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	40.09%	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	4.12%	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%

**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, 2023, 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 27, 2024.

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. We did identify deficiencies in internal control, described in the accompanying schedule of findings (page 36) as 2023-001 Lack of Segregation of Duties that we consider to be a material weakness.

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*.

The District's Response to Finding

The District's response to the finding identified in our audit are described in the accompanying Corrective Action Plan (page 37). 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

June 27, 2024

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, (the "District") as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated June 27, 2024.

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 27, 2024, 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, 2023.

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 had a recommendation to improve financial management as detailed in the accompanying schedule of current year findings and responses at finding 2023-002.

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 219.39(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 6.
- 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 \$428,082.

Special District Component Units (Continued)

- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency is zero.
- 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 26-27 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 0.2355.
- b. The total amount of ad valorem taxes collected by or on behalf of the district is \$1,072,897.
- 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 27, 2024



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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, 2023.

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.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

In our opinion, the District complied, in all material respects, with the aforementioned requirements during the year ended September 30, 2023.

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
June 27, 2024

Fort Myers Beach Public Library District
SCHEDULE OF CURRENT YEAR FINDINGS
September 30, 2023

Finding 2023-001 - Lack of Segregation of Duties (Material Weakness)

Condition: Certain accounting and administrative duties were not segregated sufficiently to achieve an adequate internal control structure.

Cause: Limited staff available.

Criteria: Record keeping, access to assets, and authorization duties should be adequately segregated.

Effect: Errors or fraud could occur without being detected and corrected in a timely manner.

Recommendation: The District should separate duties as much as possible and continue to implement compensating controls when possible to reduce risk to an acceptable level.

Finding 2023-002 - Budgetary Control (Management Letter Comment)

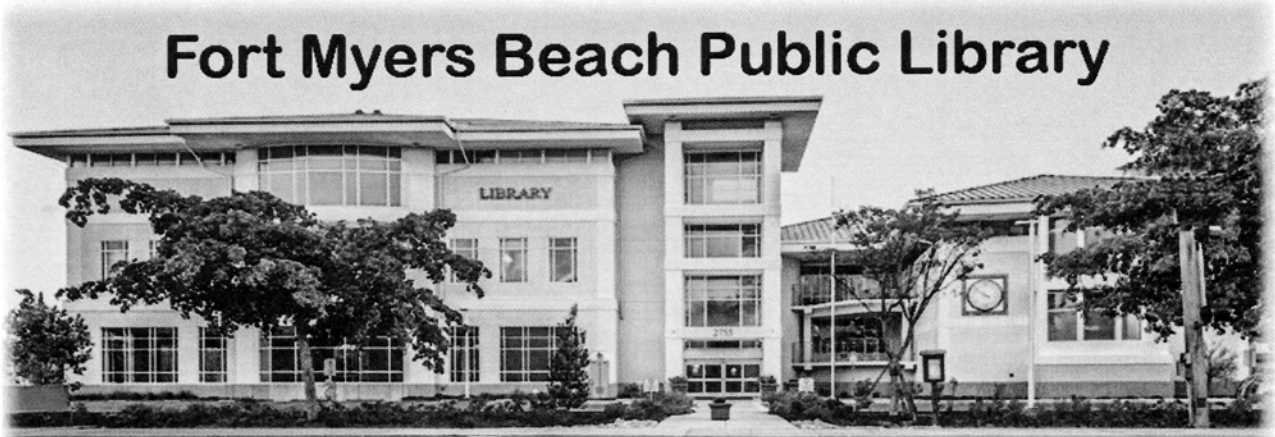
Condition: The District over expended their budgeted expenditures for the fiscal year ended September 30, 2023.

Cause: Management did not obtain amendments to the budget.

Criteria: Pursuant to Chapter 129.07, Florida Statute, it is unlawful for expenditures to exceed the amount budgeted.

Effect: Expenditures exceeded the legally adopted budget.

Recommendation: The District should monitor the actual results of operations compared to the budgeted appropriations and make necessary budget amendments as necessary to comply with the budget provisions of Florida Statute 129.07.



Fort Myers Beach Public Library

2755 Estero Blvd, Fort Myers Beach, FL 33931 239 765-8162 www.fmb.lib.fl.us

Corrective Action Plan

June 27, 2024

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 2023-001 - Segregation of Duties

With respect to the Segregation of Duties finding, the issue results from the limited number of staff available after Hurricane Ian impacted the District with nearly fourteen feet of storm surge, flooding the lobby and three feet of the first floor.

Management Response to Finding 2023-002 - Budgetary Control

With respect to the Budgetary Control finding, the District concurs with the recommendation made by the auditor. We will seek to more closely monitor actual results of operations compared to budgeted appropriations and make necessary budget amendments so that the actual expenditures do not exceed the budgeted appropriations.

 Assistant Director 6/27/24
SIGNED TITLE DATE