ALMARANTE FIRE DISTRICT

LAUREL HILL, FLORIDA

AUDITED FINANCIAL STATEMENTS
AND SUPPLEMENTARY
INFORMATION

YEAR ENDED SEPTEMBER 30, 2021

EDWARD E. CHAPMAN
Certified Public Accountant
Springville, Alabama
February 6, 2023

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Board of Directors
Almarante Fire District
Laurel Hill, Florida

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities of Almarante Fire District, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which comprise Almarante Fire 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 mistatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my 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 I 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 judgement, 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, I express no such opinion. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of Almarante Fire District, as of September 30, 2021 and changes in financial position for the year ended in accordance with accounting principles general accepted in the United States of America.

Other Matters
Required Supplementary Information

Accounting principles generally accepted in the United State of America require that the management's discussion and analysis (MD&A) and required supplementary information, other than MD&A as listed in the table of contents, 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. I 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 my inquiries, the basis financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express and opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* I have also issued a report dated Fenruary 6, 2023 on my consideration of Almarante Fire District's internal control over financial reporting and on my 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 my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Almarante Fire District's internal control over financial reporting and compliance.



Edward E. Chapman
Certified Public Accountant
Springville, Alabama
February 6, 2023

Management Discussion and Analysis (MD&A)

This MD&A of the District's financial condition provides an overview of the District's financial activities for the fiscal year. This discussion and analysis should be read in conjunction with the District's financial statements. The Almarante Fire District (the District) is an independent special district originally established by Ordinance 88-50 by the Okaloosa County Board of Commissioners on December 20, 1988. The District was created for the purpose of providing fire control and protection services as well as rescue and emergency medical services within the territorial bounds of the District as defined by the State of Florida. The District operates one fire house, and its related equipment, and has only volunteer workers. The District is governed by an elected, five member, Board of Commissioners serving four year terms.

Financial Highlights

The District's assets, $400,781 (PY $402,898), exceeded liabilities, $5,340 (PY $0), by $395,441 (PY $402,898). Revenues, $119,314 (PY $92,782), include $24,436 (PY $7,500) in grants. Operating expenses, $126,771 (PY $119,366), include $54,035 (PY $49,461) of depreciation of fixed assets. Grant revenues were used to make purchase of $5,915 de-contamination washer/extractor equipment and to improve the fire district's services by purchasing over $20,000 of new equipment, such as thermal imaging camera $1,008, LED lights & equipment $1,351, NOFD surplus equipment $4,230, dryer $5,410, ten fire hoses $5,340, batteries $750, emergency response shears $800 radios $690, valves $683 and rescue equipment $558.

Using the Audited Financial Statements and Supplementary Data

The Audited Financial Statements consists of a series of financial statements, prepared in accordance with *Governmental Accounting Standards.* The Statement of Net Position includes all assets and liabilities using the accrual basis of accounting. The Statement of Activities provides information on how the District's net position changes during the fiscal year. All of the current year revenues and expenses are taken into account regardless of when cash is received or paid. The Statement of Revenues, Expenditures, and changes in Fund balances provides a more detailed listing of revenues and expenditures.

Almarante Fire District's Funds

The District has one fund, the General Fund, from which all activities are carried out. The General Fund is used to report the cost of services provided to the residents of the District. The District continues to apply for grants to provide improved services to the residents of the District. The District's net assets, after accumulated depreciation, were $395,441 at the end of the fiscal year. The following is a condensed statement of net position (Table 1).

Table 1

	2020	2021
Current Assets	$47,337	$76,001
Capital Assets	$355,561	$324,780
Total Assets	$402,898	$400,781
Current Liabilities	$0	$5,340
Non-current Liabilities	$0	$0
Total Liabilities	$0	$5,340
Net Position:		
Invested in Capital Assets	$355,561	$324,780
Unrestricted	$37,248	$53,395
Restricted	$10,089	$17,266
Total Net Assets	$402,898	$395,441

Changes in District's net assets can be determined by reviewing the following condensed Statement of Activities (Table 2).

Table 2

	2020	2021
Taxes	$76,968	$85,050
Impact Fees	$7,168	$8,287
Miscellaneous Income	$1,146	$1,540
Grant	$7,500	$24,436
Total Revenues	$92,782	$119,314
Operating Expenses, including Depreciation	$119,366	$126,771
Change in Net Assets	($26,584)	($7,457)
Net Assets at Beginning of Year	$429,482	$402,898
Net Assets at End of Year	$402,898	$395,441

Almarante Fire District
Capital Assets and Debt Administration

Capital Assets

At the end of 2021, the District had $324,780 invested in capital assets, net of accumulated depreciation.

Table 3

	2020	2021
Land	$5,100	$5,100
Fire Station Buildings	$25,551	$17,657
Fire Equipment	$109,744	$116,858
Fire Trucks	$215,166	$185,166
Total Capital Assets	$355,561	$324,780

The following table summarizes the changes in capital assets. These changes are presented in more detail in Notes to the financial statements.

Table 4

	2021
Balance at Beginning of Year	$355,561
Additions	$23,254
Depreciation	($54,035)
Total Capital Assets	$324,780

Capital Asset additions during the year were as follows:

Category	Description	Date Purchased	Cost
Fire Equipment	Thermal Imaging Camera	2/4/2001	$1,008
Fire Equipment	LED lights/Equipment	2/8/2021	$1,351
Fire Equipment	Washer/Extractor	4/29/2021	$5,915
Fire Equipment	NOFD Surplus Equipment	6/28/2021	$4,230
Fire Equipment	Dryer	6/30/2021	$5,410
Fire Equipment	Ten fire hoses, 100ft each	9/30/2021	$5,340
Totals			$23,254

Capital Asset retirements during the year were as follows:

Category	Description	Cost	Net Book Value
None			

Debt

At September 30, 2021, the Almarante Fire District did not have any long-term debt. However, in the following year (FY2022), the fire district entered into an agreement for the lease/purchase of the three fire trucks for total financing costs of $190,000, with annual payments of $22,585 over ten years. See notes to financial statements. Short term debt consists of accounts payable.

Economic Factors and Next Year's Budget

The Almarante Fire District (the District) is an independent special district originally established by Ordinance 88-50 by the Okaloosa County Board of Commissioners on December 20, 1988. The District was created for the purpose of providing fire control and protection services as well as rescue and emergency medical services within the District. The District operates one fire house, and its related equipment, and has only volunteer workers. The District is governed by an elected five member Board of Commissioners serving four year terms. The District receives revenue from annual fire assessments placed on residences, businesses and vacant acreage. The FY2021 fire assessment is $93.66 for residential structure, $132.57 for business or commercial structures, and $0.46 per acre for vacant or undeveloped acre. On May 13, 2021 the board approved resolution 2021-1 which raised the rates to be $98.80 for residential structures, $139.84 for business or commercial structures, and $.49 per acre for undeveloped land.

The District requires Impact fees to be paid during the building permitting process for new structures/buildings. The rate for residential construction is 20 cents per sq. foot, and the rate for commercial is 30 cents per sq. foot.

The vehicle fleet is being updated in FY2022 with a $190,000 lease/purchase of two Ford F150 trucks, and one Ford F-550 brush truck, with annual payments of $22,585 over ten years.

Contacting the District's Financial Management

This financial report is designed to provide the residents of the District, customers, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report, or need additional financial information, contact the Almarante Fire District at P.O. Box 700, 3710 Old California Rd, Laurel Hill, Florida 32567.

BASIC FINANCIAL STATEMENTS

Almarante Fire District
Statement of Net Position
September 30, 2021

	Governmental Activities
Assets	
Cash	$53,949
Restricted Cash	$17,266
Prepaid Insurance	$4,785
Capital Assets, Non-depreciable, net	$319,680
Capital Assets, Depreciable, net	$5,100
Total Assets	$400,781
Liabilities	
Accounts Payable	$5,340
Total Liabilities	$5,340
Net position	
Investment in Capital Assets	$324,780
Unrestricted	$53,395
Restricted	$17,266
Total Net Position	$395,441

See accompanying notes to the financial statements.

Almarante Fire District
Statement of Activities
Year Ended September 30, 2021

	Governmental Activities
Expenditures	
Public Safety - Fire Protection	($126,771)
Total Expenditures	($126,771)
Program Revenues	
Operating Grants	$24,436
General Revenues	
Taxes	$85,050
Impact Fees	$8,287
Miscellaneous Income	$1,540
Total General Revenues	$94,878
Total Revenues	$119,314
Change in Net Position	($7,457)
Net Position Beginning	$402,898
Net Position Ending	$395,441

See accompanying notes to the financial statements.

Almarante Fire District
Balance Sheet - Governmental Fund
September 30, 2021

		General Fund
Assets		
	Cash	$53,949
	Restricted Cash	$17,266
	Prepaid Insurance	$4,785
	Total Assets	$76,001
Liabilities and Fund Balances		
	Accounts Payable	$5,340
	Total Liabilities	$5,340
Fund Balances		
	Unassigned	$53,395
	Restricted	$17,266
Total Fund Balances		$70,661
Total Liabilities and Fund Balances		$76,001

See accompanying notes to the financial statements.

Almarante Fire District

Reconciliation of the Governmental Fund Balance Sheet

to the Statement of Net Position
September 30, 2021

Total Fund Balances, governmental fund balance sheet		$70,661
Capital Assets, used in governmental activities, are not financial resources and therefore are not reported in the governmental funds balance sheet		
Capital Assets, Non-depreciable	$5,100	
Capital Assets, Depreciable	$844,650	
Total Capital Assets before depreciation	$849,750	
Less Accumulated Depreciation	($524,970)	
Total Capital Assets, net of depreciation		$324,780
Total net position per Statement of Net Position		$395,441

See accompanying notes to the financial statements.

Almarante Fire District

Statement of Revenues, Expenditures, and Changes in
Fund Balances - Governmental Fund
Year Ended September 30, 2021

Revenues:	
Taxes	$85,050
Interest Income	$8,287
Miscellaneous Income	$1,540
Grant	$24,436
Total Revenues	$119,314
Expenditures:	
Public Safety	
Building Maintenance	$3,382
Expendable Equipment	$13,407
Fees	$7,743
Fire Fighter Incentive Payments	$5,580
Fuel	$6,858
Insurance	$16,315
Legal	$215
Office	$2,296
Training	$200
Utilities	$5,259
Vehicle Maintenance	$11,482
Total Public Safety	$72,736
Total General Government, excluding Depreciation	$72,736
Capital Outlay Equipment	$23,254
Total Expenditures	$95,990
Excess (Deficiency) of Revenues over Expenditures	$23,323
Fund balance, Beginning of Year	$65,388
Fund balance, End of Year	$88,711

See accompanying notes to the financial statements.

Almarante Fire District

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
Year Ended September 30, 2021

Net change in fund balances - governmental fund	$23,323
Capital outlay, reported as expenditures in governmental fund, is shown as capital assets in Statement of Net Position	$23,254
Depreciation expense on capital assets included in the Statement of Activities does not require the use of current financial resources; therefore it is not reported as an expenditure in the governmental fund	($54,035)
Change in net position of Statement of Activities	($7,457)

See accompanying notes to the financial statements.

Nature of Organization

The Almarante Fire District (the District) is an independent special district originally established by Ordinance 88-50 by the Okaloosa County Board of Commissioners on December 20, 1988. The District was created for the purpose of providing fire control and protection services as well as rescue and emergency medical services within the territorial bounds of the District as defined by the State of Florida. The District operates one fire house, and its related equipment, and has only volunteer workers. The District is governed by an elected, five member, Board of Commissioners serving four year terms.

Note A – Summary of Significant Accounting Policies

The accounting policies of the District conform to Generally accepted Accounting Principles (GAAP) as applicable to governments in accordance with those promulgated by the Governmental Accounting Standards Board (GASB). The following is a summary of the more significant policies:

Measurement Focus, Basis of Accounting and Basis of Presentation

The basic financial statements include both government-wide and fund financial statements.

Government-wide Financial Statements – Government-wide financial statements, including the statement of net position and statement of activities, present information about the District as a whole. These statements include the non-fiduciary financial activity of the primary government.

Government-wide financial statements are prepared using the economic resources measurement focus. The statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District's governmental activities. Direct expenditures are those that are specifically associated with a service, program, or department and are thereby clearly identifiable to a particular function.

Program revenues include grant revenues that are restricted to meeting the operations or capital requirements of a particular grant program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of grant direct expenditures with grant program revenues identifies the extent to which grant direct expenses are self-financing and draw from the grant revenues.

The government-wide financial statements are prepared using the accrual basis of account. Revenues are recognized when earned, and expenses are recognized when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized in the year for which they are levied. Revenues from grants and donations are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been satisfied.

Note A – Summary of Significant Accounting Policies (continued)

When both restricted and unrestricted resources are available for use, it the government's policy to use restricted resources first and then unrestricted resources, as they are needed.

Government-wide financial statement net position is divided into three components – investment in capital assets, restricted; and unrestricted. These classifications are defined as follows:

Investment in capital assets – This component of net position consists of capital assets, included restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net position component as unspent proceeds.

Restricted – This component of net position consists of constraints placed on net positions imposed by creditors (such as through debt covenants), contributors, or laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted – This component of net position consists of amounts that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

Fund Financial Statements:

Government Funds are used to account for the general government activities. Governmental fund types use the flow of current financial measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers all revenues available if they are collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred, except for un-matured interest on long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Taxes, reimbursements for incidents and interest associated with the current fiscal period, are all considered to be susceptible to accrual and so have been recognized as revenues of the current period. All other revenue items are considered to be measurable and available only when cash is received by the District.

Note A – Summary of Significant Accounting Policies (continued)

Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

The District reports the following major governmental fund:

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

The following is a description of the District's various fund balance accounts:

Non-spendable fund balance includes amounts that are not in a spendable form (prepaid insurance, for example) or are required to be maintained intact.

Restricted fund balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers (for example, impact fees as authorized under FL Statute 191.009(2), constitutionally, or through enabling legislation (that is legislation that creates a new revenue source and restricts its use). Effectively, restrictions may be changed or lifted only with the consent of the resource provider.

Committed fund balance can be used only for specific purposes as imposed by formal action of the Fire District's board. There are no committed funds at the end of this fiscal year.

Assigned fund balance includes resources that are intended to be used for specific purposes, but are neither restricted nor committed. These are resources that have been set aside for a specific purpose by the District's board. There are no assigned funds as of the end of this fiscal year.

Unassigned fund balance is the residual classification for the general fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose.

Restricted resources are only used for their specific designation and with approval from the District's board. Committed and Assigned funds are used for their specific designation. If the District does not have sufficient funds allocated to committed or assigned funds to cover the full cost of an expenditure, then unassigned funds would be used to cover the remaining portion of the expense. The District considers committed amounts be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in the unrestricted fund balance classification could be used.

Note A – Summary of Significant Accounting Policies (continued)

Fiduciary Funds account for assets held by the District in a trustee capacity or as an agent on behalf of others. Trust funds account for assets held by the District under the terms of a formal trust agreement. The District currently has no fiduciary funds or trust funds.

Cash, Deposits and Investments
The District is authorized to invest in financial instruments as established in Section 218.415, Florida Statutes. The District maintains deposits with "Qualified Public Depositories" as defined in Chapter 280 Florida Statutes. The District has an investment policy that places the highest priority on the safety of principal and liquidity of funds. Investments in money market funds are reported at fair value. Funds in the Impact Fund are restricted for purchase of capital assets. All bank deposits are fully insured.

Interest Rate Risk
Section 218.415(17), Florida Statutes, limits investment maturities to provide sufficient liquidity to pay obligations as they come due. The District minimizes interest rate risk by structuring investments to mature to meet future operating cash requirements and investing primarily in short-term security such as money market accounts.

Concentration of Credit Risk
As mentioned above, the District limits investments to money market accounts or in certificate of deposits of banks that are insured by the Federal Deposit Insurance Corporation.

Custodial Credit Risk
For an investment, custodial credit risk is the risk that the District will not be able to recover the value of the investments or collateral securities that are in the possession of an outside party. The District has no formal policy for custodial risk.

Capital Assets
Capital assets, which include property and equipment are reported in the government-wide financial statements but are not recorded in the governmental fund financial statements. Capital assets are defined by the District as assets with an initial/individual cost of more than $1,000. Such assets are recorded at historical cost and estimated historical cost if purchased or constructed. Donated asset are recorded at estimated fair market value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Note A – Summary of Significant Accounting Policies (continued)

Property and equipment sold, destroyed or obsolete is removed from the accounts periodically. Property, plant, and equipment of the primary government are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	15 – 39
Vehicles & Equipment	7 – 15
Improvements	25
Office Equipment	5

Depreciation expense is not reported in the governmental fund financial statements. In the governmental fund financial statements, amounts incurred for acquisition of capital assets are reported as fund expenditures.

Tax Revenue

The Okaloosa County Property Tax Calendar Significant dates relative to ad valorem tax revenue are as follows:
Assessment date, Lien date – January 1
Levy date – November 1
Due Date – November 1
Maximum Discount – November 30
Past Due or Delinquent date – April 1
Tax Certificates Sold – June 1

Budgets and Budgetary accounting

The Fire District adopted a formal budget for the fiscal year. A Budgetary Comparison Schedule is included in the Required Supplementary Information.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, results could differ from those estimates.

Note B – Deposits and Investments

The District has not adopted a written policy for deposits or investing surplus funds. Regarding the investment of surplus funds, the Florida Statutes were followed. Restricted fund cash in the Impact Fund is restricted for purchase of capital assets.

Note C – Contingency

There are no known contingencies other than the risks of accident or injury. The District maintains liability insurance to cover risks of accident or injury.

Note D - Capital Assets

Capital asset activity for the year ended September 30, 2021 was as follows:

	Balance	Current Year:		Balance
Governmental Activities	9/30/2020	Additions	Deletions	9/30/2021
Capital assets, not being depreciated:				
Land	$5,100	$0	$0	$5,100
Total capital assets, not being depreciated	$5,100	$0	$0	$5,100
Capital assets, being depreciated:				
Fire Station Buildings	$121,486	$0	$0	$121,486
Fire Equipment	$259,909	$23,254	$0	$283,164
Fire Trucks	$440,000	$0	$0	$440,000
Total capital assets, being depreciated	$821,396	$23,254	$0	$844,650
Total Capital Assets before depreciation:	$826,496	$23,254	$0	$849,750
Less Accumulated Depreciation for:				
Fire Station Buildings	$95,936	$7,894	$0	$103,830
Fire Equipment	$150,165	$16,141	$0	$166,306
Fire Trucks	$224,834	$30,000	$0	$254,834
Total Accumulated Depreciation	$470,935	$54,035	$0	$524,970
Total Capital Assets being depreciated, net	$350,461	($30,781)	$0	$319,680
Governmental activities capital assets, net	$355,561	($30,781)	$0	$324,780

Note E – Capital Lease

The District had no capital leases for FY 2021.
However in the following year, FY2022, the Almarante Fire District entered into an agreement for the lease/purchase of the following trucks:

Fire district truck description	Date Acquired	Lease/Purchase Cost
Ford F150 XL Supercab 4X4 X1E; VIN ending in 8744	2/9/2022	28,920
Ford F150 XL Supercab 4X4 X1E; VIN ending in 8745	2/23/2022	28,920
Ford F550 4X4 Diesel Super Cab with 300 gal tank & equipment	12/12/2022	132,160
Total Financing cost of the lease/purchase		190,000

The lease/purchase agreement requires ten annual payments of $22,584.55, with the first annual payment of $22,584.55 due on January 15, 2022.
The lease/purchase financing payment schedule is as follows:

Pmt No.	Due Date	Contract Payment	Applied to Interest	Applied to Principal	Purchase Option Price
1	1/15/2022	22,584.55	4,444.74	18,139.81	179,594.53
2	1/15/2023	22,584.55	6,005.56	16,578.99	161,589.64
3	1/15/2024	22,584.55	5,426.21	17,158.34	143,125.63
4	1/15/2025	22,584.55	4,826.63	17,757.92	124,190.78
5	1/15/2026	22,584.55	4,206.09	18,378.46	104,773.09
6	1/15/2027	22,584.55	3,563.86	19,020.69	84,860.25
7	1/15/2028	22,584.55	2,899.19	19,685.36	64,439.64
8	1/15/2029	22,584.55	2,211.30	20,373.25	43,498.30
9	1/15/2030	22,584.55	1,499.37	21,085.18	22,022.96
10	1/15/2031	22,584.55	762.55	21,822.00	-
		225,845.50	35,845.50	190,000.00	

Note F – Grants

The district did not receive any federal grants.
The district received the following grants from state of Florida and Okaloosa County:

Date	Description	Amount
4/28/2021	CARES ACT from Okaloosa County	20,000.00
6/9/2021	Florida Fire Decontamination grant for PPE washer/extractor	4,436.25
Total Grants Revenues		24,436.25

The CARES Act grant funding is to offset the impacts of Covid or otherwise sustain, enhance, or improve fire services. Funds are being used to improve the district's fire services by purchasing new equipment, such as thermal imaging camera $1,008, LED lights & equipment $1,351, NOFD surplus equipment $4,230, dryer $5,410, and ten fire hoses $5,340, Baker Communications batteries $750, Emergency response shears $800, CES Team one radios $690, NAFECO valves $683, NAFECO rescue equipment $558.
The Fire Decontamination grant was used to purchase an EW22 Washer Extractor, pump soap dispenser, turnout gear, and freight for a total cost of $5,915.00.

Note G – Risk Management

The District is exposed to various risks of loss related to tort, theft, damage to, and destruction of assets, errors, and omissions, injuries to volunteer firefighters, and natural disasters. The District purchases insurance through commercial carriers and participates in the Florida Municipal Insurance Trust for workmen's compensation coverage. The District maintains minimal insurance deductibles for insurance policies from its carriers. There has been no significant reduction in insurance coverage from the prior fiscal year. Insurance coverage has been sufficient to cover all claims made in the past two years.

Note H – Miscellaneous Income

The district received $1,540 income that was classified as miscellaneous income. This income can be further described as rebate $340 and fund raising $1,200.

Note I – Accounts Receivable

The district does not bill customers and has no receivables or uncollectable receivables at September 30, 2021.

Note J – Subsequent Events

Subsequent events have been evaluated through February 6, 2023, the date these financial statements were available to be issued, and no event was deemed to warrant recognition or disclosure, except for the fiscal year 2022 lease/purchase of two Ford F150 XL Super Cab 4X4 trucks and one Ford F-550 4X4 Diesel Super Cab with 300-gallon tank, for a total

financing cost of $190,000. The lease/purchase of these trucks requires ten annual payments of $22,584.55, with first payment due January 15, 2022.

Note K – Covid Impact

Due to the nature of the District's operations Covid had little financial impact. The District's resources were in higher demand and they received additional funding to cover any additional cost. The District expects additional grants to be available in the future due to the pandemic.

REQUIRED SUPPLEMENTARY INFORMATION
(Other than MD&A)

Almarante Fire District
Budgetary Comparison Schedule
Governmental Funds
Year Ended September 30, 2021

	Actual	Original and Final Budget
Revenues:		
Taxes	$85,050	$90,675
Impact Fees	$8,287	$0
Miscellanous Income	$1,540	$0
Grants	$24,436	$0
Total Revenues	$119,314	$90,675
Expenditures:		
Public Safety		
Building Maintenance	$3,382	$5,000
Expendable Equipment	$13,407	$1,000
Fees	$7,743	$4,500
Fire Fighter Incentive payments	$5,580	$5,000
Fuel	$6,858	$5,500
Insurance	$16,315	$13,500
Legal	$215	$3,000
Office	$2,296	$2,000
Training	$200	$5,000
Utilities	$5,259	$5,500
Vehicle Maintenance	$11,482	$11,000
Total General Government, excluding Depreciation	$72,736	$61,000
Capital Outlay:		
Equipment	$23,254	$12,000
Total Expenditures	$95,990	$73,000
Excess (Deficiency) of Revenue over Expenditures	$23,323	$17,675

COMPLIANCE SECTION

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INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES, LOCAL GOVERNMENT INVESTMENT POLICIES

Board of Directors
Almarante Fire District
Laurel Hill, Florida

I have examined the Almarante Fire District's (the District) compliance with the following requirements for the year ended September 30, 2021.

(1) Section 218.415, Florida Statutes, regarding the investment of public funds

Management is responsible for the District's compliance with those requirements. My responsibility is to express an opinion on the District's compliance based on my examination.

My examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my examination provides a reasonable basis for my opinion. My examination does not provide a legal determination on the District's compliance with specified requirements.

In my opinion, the Almarante Fire District complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2021.

This report is intended solely for the information and use of the District and the Auditor General, State of Florida, and is not intended to be and should not be used by anyone other than these specified parties.

Edward Chapman

Edward E. Chapman
Certified Public Accountant
Springville, Alabama
February 6, 2023

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors
Almarante Fire District
Laurel Hill, Florida

I have audited 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, the financial statements of the governmental activities of Almarante Fire District ("the District"), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basis financial statements, and have issued my report thereon dated February 6, 2023.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the District's internal control over financial reporting to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, I 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 a 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.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Almarante Fire District's financial statements are free of material misstatement, I 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 test of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

This purpose of this report is solely to describe the scope of my 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, and accordingly, this communication is not suitable for any other purpose.

Edward E. Chapman
Certified Public Accountant
Springville, Alabama
February 6, 2023

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MANAGEMENT LETTER

To the Board of Directors
Almarante Fire District, Laurel Hill, Florida

Report on the Financial Statements

I have audited the financial statements of the Almarante Fire District, as of and for the fiscal year ended September 30, 2021, and have issued my report thereon dated February 6, 2023.

Auditor's Responsibility

I conducted my 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 Florida Auditor General.

Other Reports and Schedule

I have issued my 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*, regarding compliance requirements in accordance with Chapter 10.550 Rules of the Florida Auditor General. Disclosures in those reports and schedule, which are dated February 6, 2023, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, require that I determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. There was no audit for FY2020 because District's revenues were less than $100,000 and the District's expenditures were less than $100,000. The two most recent prior year audits were for FY2019 and FY2016.

Auditor's determination as whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit reports.

Finding 2019-1, and Finding 2016-1, Submission of timely Audit Reports: Florida Statute 218.39(1)(C) requires special districts with revenues or expenditures in excess of $100,000 to have a financial audit of its account records completed within 9 months after the end of its fiscal year. The Annual Financial Report (AFR) is due to the Department of Financial Services no later than 9 months after the end of its fiscal year. The financial audit, and the AFR, were not

submitted within the timeline prescribed by statute. The recommendation was for the District to comply with the statute and complete timely audit reports and AFRs.
Per FY2021 Finding 2021-1, corrective actions have not been taken to address the findings and recommendations made in previous years in regard to submission of timely audit reports and the AFR. The District is not in compliance with Florida statutes requiring timely submission of audited financial statements and the AFR.

Finding 2019-2, and Finding 2016-2), Lack of complete General Ledger Accounting: The District does not use a commercial general ledger accounting system. The District used excel spreadsheets to list the receipts and disbursements for the entire year, creating separate columns for each revenue and expenditure category, and totaling up for the entire year the totals of each revenue and expenditure category. The District then used the excel spreadsheet totals to prepare financial statements of receipts and disbursements for audit. There was no accounting of assets and liabilities. As a result, the District has difficulty in accurately preparing monthly, or year-to-date, financial statements on a timely basis.
The recommendation was for the District to use a commercial general ledger accounting system software to ensure that all transactions get posted to the general ledger on a timely basis, and this will enable the District to produce timely, accurate, financial reports to the fire district's board on a monthly, and as needed, basis.

Per FY2021 Finding 2021-2, corrective actions have not been taken to address the findings and recommendations made in previous years in regard to the lack of a complete General Ledger Accounting system. The District does not have a complete General Ledger Account system.

Other 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 has no component units.

Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require that I apply appropriate procedures and report the results of my determination as to whether or not Almarante Fire 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 my audit, I determined that the Almarante Fire 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, I applied financial condition assessment procedures for Almarante Fire District. It is management's responsibility to monitor the Almarante Fire District's financial condition, and my 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, require that I communicate any recommendations to improve financial management. In connection with my audit, I did have two audit findings and recommendations as listed below, and they are repeat findings.

Finding 2021-1 (repeat finding of Finding 2019-1, and Finding 2016-1), Submission of timely Audit Reports: Florida Statute 218.39(1)(C) requires special districts with revenues or expenditures in excess of $100,000 to have a financial audit of its account records completed within 9 months after the end of its fiscal year. The Annual Financial Report (AFR) is due to the Department of Financial Services no later than 9 months after the end of its fiscal year. The financial audit, and the AFR, were not submitted within the timeline prescribed by statute. The District is not in compliance with Florida statutes requiring timely submission of audited financial statements and the AFR.
Recommendation: Recommend the District comply with the statute and complete timely audit reports and AFRs.

Finding 2021-2 (Repeat finding of Finding 2019-2, and Finding 2016-2), Lack of complete General Ledger Accounting: The District does not use a commercial general ledger accounting system. The District used excel spreadsheets to list the receipts and disbursements for the entire year, creating separate columns for each revenue and expenditure category, and totaling up for the entire year the totals of each revenue and expenditure category. The District then used the excel spreadsheet totals to prepare financial statements of receipts and disbursements for audit. There was no accounting of assets and liabilities. As a result, the District has difficulty in accurately preparing monthly, or year-to-date, financial statements on a timely basis.
Recommendation: Recommend the District use a commercial general ledger accounting system software to ensure that all transactions get posted to the general ledger on a timely basis, and this will enable the District to produce timely, accurate, financial reports to the fire district's board on a monthly, and as needed, basis.

Special District Component Units

Section 10.554(1)(i)5.d., Rules of the Auditor General, requires that I determine whether or not a special district that is a component unit of a county, municipality, or special district, provided 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. Almarante Fire District is not a component unit and has no components.

Specific Information (for a dependent special district or an independent special district, or a local government entity that includes the information of a dependent special district)

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

a. The total number of district employees compensated in the last pay period of the district fiscal year as none.
b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year as none.
c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as none.
d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as $1,200.
e. Each construction project 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, as $5,648. Almarante Fire District did not amend their budget during FY2021. See the Budgetary Comparison Schedule in the Required Supplementary Information.

Specific Information (For an independent special district that imposes ad valorem taxes)

The Almarante Fire District does not impose ad valorem taxes. No ad valorem taxes were imposed or collected in FY2021. There are no outstanding bonds.

a. The mllage rate or rates imposed by the district as none.
b. The total amount of ad valorem taxes collected by or on behalf of the district as none.
c. The total amount of outstanding bonds issued by the district and terms of such bonds as none. The district has no outstanding bonds.

Specific Information (For an independent special district that imposes non-ad valorem special assessments)

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

a. Annual rates of non-ad valorem special assessments imposed by the District for the audit year were $93.66 per residence, $132.57 per business, and $0.476 per undeveloped acre.
b. The total amount of special assessments collected by or on behalf of the district was $85,050.
c. The total amount of outstanding bonds issued by the district and terms of such bonds is none. The district has no outstanding bonds.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, require I 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 my audit, I did not note any such findings.

Purpose of this letter

My 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, and the Almarante Fire District management and board, and is not intended to be and should not be used by anyone other than these specified parties.

Edward Chapman

Edward E Chapman
Certified Public Accountant
Springville, Alabama
February 6, 2023

Almarante Fire District
P.O. Box 700, 3710 Old California Road
Laurel Hill, FL. 32567

February 1, 2023

Edward E. Chapman
Certified Public Accountant
Springville, Alabama

Subject: Almarante Fire District's Response to the FY2021 Audit Findings

Finding 2021-1 (repeat finding of Finding 2019-1, and Finding 2016-1), Submission of timely Audit Reports: Florida Statute 218.39(1)(C) requires special districts with revenues or expenditures in excess of $100,000 to have a financial audit of its account records completed within 9 months after the end of its fiscal year. The Annual Financial Report (AFR) is due to the Department of Financial Services no later than 9 months after the end of its fiscal year. The financial audit, and the AFR, were not submitted within the timeline prescribed by statute. The District is not in compliance with Florida statutes requiring timely submission of audited financial statements and the AFR.
Recommendation: Recommend the District comply with the statute and complete timely audit reports and AFRs.
District's Response to Finding 2019-01: An audit was completed for FY2019 and we thought we were not required to have another audit until 3 years later. Sometime after the June 30 audit deadline, we became aware of the statute that requires an audit when either revenues, or expenditures, exceed $100,000. We then contacted an auditor and requested an audit. In the future, we will try to hire an auditor shortly after the end of the fiscal year being audited, to allow sufficient time to complete the audit before the June 30th deadline.

Finding 2021-2 (Repeat finding of Finding 2019-2, and Finding 2016-2), Lack of complete General Ledger Accounting: The District does not use a commercial general ledger accounting system. The District used excel spreadsheets to list the receipts and disbursements for the entire year, creating separate columns for each revenue and expenditure category, and totaling up for the entire year the totals of each revenue and expenditure category. The District then used the excel spreadsheet totals to prepare financial statements of receipts and disbursements for audit. There was no accounting of assets and liabilities. As a result, the District has difficulty in accurately preparing monthly, or year-to-date, financial statements on a timely basis.
Recommendation: Recommend the District use a commercial general ledger accounting system software to ensure that all transactions get posted to the general ledger on a timely basis, and this will enable the District to produce timely, accurate, financial reports to the fire district's board on a monthly, and as needed, basis.
District's Response to Finding 2021-2:
We will follow the auditor's advice to make improvements to our accounting system and in preparing financial statements. We will consider purchasing, and using, a Quickbooks Pro software.

Signature Charles M. Carroll
Charles Carroll, Fire Chief for Almarante Fire District