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MANAGEMENT LETTER

To the Board of Directors
Argyle Fire District, Argyle, Florida

Report on the Financial Statements

I have audited the financial statements of the Argyle Fire District, as of and for the fiscal year ended September 30, 2020, and have issued my report thereon dated September 20, 2021.

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 Reporting Requirements

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*, and Chapter 10.550 Rules of the Florida Auditor General. Disclosures in those reports and schedule, which are dated September 20, 2021, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that I determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. The last audit of the Argyle Fire District was in FY 2019. There were 2 audit findings in the FY 2019 audit. In my FY 2020 audit, I have found that the District has corrected 0 of 2 FY 2019 findings listed below.

Finding 2019-01, The District could not provide evidence that they had filed the Public Deposit Annual Report or that they had the Public Identification and Acknowledgment forms on file for each bank account.

Status of Finding 2019-01: In my FY 2020 audit I determined that the District did not comply with the requirement. Finding 2019-01 remains open.

Finding 2019-02: Annual Budget not adopted. In the FY 2018 and 2019 audit it was determined that the District did not formally adopt a budget.

Status of Finding 2018-02 and 2019-02: In my FY 2020 audit I determined that the District did not formally adopt a budget for FY 2020. Finding 2018-02 and 2019-02 remains open.

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. Argyle Fire District has no component units.

Financial Condition

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require that I apply appropriate procedures and communicate the results of my determination as to whether or not the Argyle 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 Argyle 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 the Argyle Fire District. It is management's responsibility to monitor the Argyle 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. I performed this assessment as of the fiscal year end and I did not find any deteriorating conditions.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that I communicate any recommendations to improve financial management. In connection with my audit, I do have four audit findings and recommendations as follows:

Audit Finding, 2020-01, Compliance with FL Section 218.415 (Public Deposit Annual Report and the Public Deposit Identification and Acknowledgment forms)

The District could not provide evidence that they had filed the Public Deposit Annual Report or that they had the Public Identification and Acknowledgment forms on file for each bank account.

The recommendation is for the District to complete and file the Public Deposit Annual Report and that they maintain on file the Florida Deposit Identification and Acknowledgment forms for each bank account.

Audit Finding, 2020-02, Annual budget not adopted.

The District did not formally adopt a budget for FY 2020.

The recommendation is for the District to formally adopt a budget prior to the beginning of the year. The minutes to the monthly meetings should reflect approval and documentation of the budget adopted should be retained.

Audit Finding, 2020-03, Special Fund bank account was not reconciled.

The District did not properly reconcile the Special Fund Bank Account for FY 2020.

The recommendation is for the District to enter all transactions into their accounting software and reconcile the bank account on a monthly basis.

Audit Finding, 2020-04, Annual audit not filed by state due date.

The District did not file their FY 2020 by the state deadline of June 30, 2021. The District did engage a CPA in February 2021 to file the audit but due to Covid restrictions and scheduling the auditor was not able to complete the audit by June 30, 2021.

The recommendation is to make information available to the auditor earlier in the year and to continue to engage a CPA early in the year.

Special District Component Units

Section 10.554(1)(i)5.d., Rules of the Auditor General, requires, if appropriate, that I communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with my audit, I did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes. Argyle Fire District is not a component unit and has no components.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires that I address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with my audit, I did not have 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 Argyle Fire District management and board, and is not intended to be and should not be used by anyone other than these specified parties.



Edward E Chapman
Certified Public Accountant
Springville, Alabama
September 20, 2021