

**ARGYLE FIRE DISTRICT**  
ARGYLE, FLORIDA

FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2020

**EDWARD E CHAPMAN**  
Certified Public Accountant  
Springville, Alabama  
September 20, 2021

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**INDEPENDENT AUDITOR'S REPORT**

**Report on the Financial Statements**

I have audited the accompanying financial statements of the governmental activities of Argyle Fire District, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which comprise Argyle 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 misstatement, 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 Argyle Fire District, as of September 30, 2020, and changes in financial position for the year ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (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 basic 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 an 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 September 20, 2021 on my consideration of Argyle 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 Argyle Fire District's internal control over financial reporting and compliance.



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

## **Management Discussion and Analysis (MD&A)**

This Management Discussion and Analysis (MD&A) of Argyle Fire District's financial condition provides an overview of financial activity, identifies changes in financial position, and assists the reader in focusing on significant financial issues. In 1986, on a vote by the residents of the District, Argyle Fire District was created. The District is a volunteer fire department, and the primary purpose of the District is to provide fire, rescue, and emergency medical assistance for the Argyle District which is in the Argyle, Florida area. Although it is important to the long-term existence of the District to maintain its financial health, net position is accumulated only to the extent required by Florida Statutes to ensure the District has sufficient reserve funds for future operations and anticipated capital acquisitions. The MD&A provides summary level financial information; therefore, it should be read in conjunction with the accompanying financial statements.

### **Highlights**

#### *Financial Highlights*

Assets, \$243,141, exceeded liabilities, \$11,075, by \$232,066. Total revenues, \$186,750, included tax revenues of \$171,589 and rescue revenue of \$12,533. Prior year assets were \$257,053 and total revenue was \$185,289. Prior years grants were \$749. There was no grant revenue received in FY 2020. Operating expenses, \$209,157 included \$33,324 of depreciation. Prior year operating expense were \$234,141 including depreciation of \$56,302. Cash on hand is \$70,056 of which \$39,808 is restricted. Prior year cash on hand was \$55,515 of which \$26,428 was restricted.

### **Using the Audited Financial Statements and Supplementary Data**

The Audited Financial Statements consist 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.

**Argyle 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 residents of the district.

The District's total net assets, after accumulated depreciation, were \$232,066 at the end of the fiscal year. The following is a condensed statement of net position (Table 1).

**Table 1**

	<u>2020</u>
Current Assets	\$81,663
Capital Assets	\$161,478
<b>Total Assets</b>	<b>\$243,141</b>
Current Liabilities	\$11,075
Non-current Liabilities	\$0
<b>Total Liabilities</b>	<b>\$11,075</b>
Net Position:	
Invested in Capital Assets	\$161,478
Unrestricted	\$30,780
Restricted	\$39,808
<b>Total Net Assets</b>	<b>\$232,066</b>

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

**Table 2**

	<u>2020</u>
Taxes	\$171,589
Interest Income	\$3
Miscellaneous Income	\$2,625
Rescue Revenue	\$12,533
<b>Total Revenues</b>	<b>\$186,750</b>
Operating Expenses, including Depreciation	\$209,157
Change in Net Assets	(\$22,407)
Net Assets at Beginning of Year	\$254,473
Net Assets at End of Year	<b>\$232,066</b>

**Argyle Fire District  
Capital Assets and Debt Administration**

Capital Assets

At the end of 2020, the District had \$161,478 invested in capital assets net of accumulated depreciation.

**Table 3**

	<u>2020</u>
Land	\$12,710
Buildings	\$20,722
Office Equipment	\$0
Fire Equipment	\$87,793
Fire Trucks	\$24,015
Communication Equipment	\$16,238
Computer Equipment	\$0
Total Capital Assets	<u>\$161,478</u>

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

**Table 4**

	<u>2020</u>
Balance at Beginning of Year	\$191,427
Additions	\$3,375
Depreciation	<u>(\$33,324)</u>
Total Capital Assets	<u>\$161,478</u>

Capital Asset additions during the year were as follows:

<u>Category</u>	<u>Description</u>	<u>Date Purchased</u>	<u>Cost</u>
Fire Equipment	Tech Lights on A903	4/15/2020	\$1,352
Fire Equipment	Air Packs	10/1/2019	\$2,023
Totals			<u>\$3,375</u>

## **Argyle Fire District**

### **Debt**

At September 30, 2020, the Argyle Fire District did not have any long term debts. Short term debt consists of accounts payable and a Regions credit card which is paid off monthly.

### **Economic Factors and Next Year's Budget**

In 1986 the fire District was created and an assessment fee of \$25 per occupied dwelling and \$50 or more per business depending on square footage. No fees were assessed per vacant land.

Fees have not been increased until Resolution 2014-01 was passed in August 2014. In voting for

Resolution 2014-01, the fire district voters approved an increase in the annual non-ad valorem special assessments on residences and businesses in the fire district beginning in FY2015 to raise funds to maintain and improve the services provided by the fire district. The increased assessments were deemed necessary to maintain the quality of services because Walton County is no longer providing financial assistance to the fire district and the cost of services has increased to the district.

The annual non-ad valorem special assessments were increased to the following amounts in FY2016:

\$100.00 per residential dwelling unit

\$100.00 per residential dwelling unit for the first 4 in a trailer park, townhome or apartment, and \$30.00 per each additional unit.

\$200.00 per commercial or industrial unit under 5,000 square feet

\$300.00 per commercial or industrial unit over 5,000 feet or \$300.00 per additional 5,000 square feet over 10,000 square feet.

### **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 Argyle Fire District at P.O. Box 61, Argyle, Florida 32422.



## **BASIC FINANCIAL STATEMENTS**

**Argyle Fire District**  
**Statement of Net Position**  
**September 30, 2020**

Governmental  
 Activities

Assets

Cash	\$30,248
Restricted Cash	\$39,808
Accounts Receivable	\$1,604
Prepaid Insurance	\$10,003
Capital Assets, Non-depreciable, net	\$27,190
Capital Assets, Depreciable, net	\$134,288
<b>Total Assets</b>	<b>\$243,141</b>

Liabilities

Accounts Payable	\$8,702
Credit Card Payable	\$2,373
<b>Total Liabilities</b>	<b>\$11,075</b>

Net position

Investment in Capital Assets	\$161,478
Unrestricted	\$30,780
Restricted	\$39,808
<b>Total Net Position</b>	<b>\$232,066</b>

See accompanying notes to the financial statements.

**Argyle Fire District**  
Statement of Activities  
Year Ended September 30, 2020

	Governmental Activities
Expenditures	
Public Safety - Fire Protection	(\$209,157)
Total Expenditures	<u>(\$209,157)</u>
Program Revenues	
Operating Grants	<u>\$0</u>
General Revenues	
Taxes	\$171,589
Interest Income	\$3
Miscellaneous Income	\$2,625
Rescue Revenue	\$12,533
Total General Revenues	<u>\$186,750</u>
Total Revenues	<u>\$186,750</u>
Change in Net Position	(\$22,407)
Net Position Beginning	<u>\$254,473</u>
Net Position Ending	<u>\$232,066</u>

See accompanying notes to the financial statements.

**Argyle Fire District**  
 Balance Sheet - Governmental Fund  
 September 30, 2020

	General Fund
<b>Assets</b>	
Cash	\$30,248
Restricted Cash	\$39,808
Accounts Receivable	\$1,604
Prepaid Insurance	\$10,003
Total Assets	<u>\$81,663</u>
<b>Liabilities and Fund Balances</b>	
Accounts Payable	\$8,702
Credit Card Payable	\$2,373
Total Liabilities	<u>\$11,075</u>
<b>Fund Balances</b>	
Unassigned	\$30,780
Restricted	\$39,808
Total Fund Balances	<u>\$70,588</u>
Total Liabilities and Fund Balances	<u>\$81,663</u>

See accompanying notes to the financial statements.

**Argyle Fire District**

Reconciliation of the Governmental Fund Balance Sheet  
to the Statement of Net  
Position  
September 30, 2020

Total Fund Balances, governmental fund balance sheet		\$70,588
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	\$27,190	
Capital Assets, Depreciable	\$939,999	
Total Capital Assets before depreciation	<u>\$967,189</u>	
Less Accumulated Depreciation	<u>(\$805,711)</u>	
Total Capital Assets, net of depreciation		\$161,478
Total net position per Statement of Net Position		<u><u>\$232,066</u></u>

See accompanying notes to the financial statements.

**Argyle Fire District**Statement of Revenues, Expenditures, and Changes in  
Fund Balances - Governmental Fund  
Year Ended September 30, 2020Revenues:

Taxes	\$171,589
Interest Income	\$3
Miscellaneous Income	\$2,625
Rescue Revenue	\$12,533
Total Revenues	<u>\$186,750</u>

Expenditures:

## Public Safety

Annual Fees & Appraisal Fees	\$1,888
Bookkeeping Fees	\$5,774
Community Center	\$1,118
Communication	\$3,069
Expendable Equipment	\$1,380
Fuel Incentive Payments	\$27,502
Grant Writer Fee	\$500
Insurance	\$35,573
Maintenance	\$31,813
Office Supplies	\$4,395
Operating Supplies	\$3,748
Recruiting & Retention	\$2,947
Safety & Training	\$1,200
Secretarial Fees	\$2,347
Surveying and Engineering	\$900
Utilities	\$3,504
Vehicle Fuel	\$16,553
Volunteer Coordinator Pay	\$31,622
Total Public Safety	\$175,833
Total General Government, excluding Depreciation	\$175,833
Capital Outlay Equipment	\$3,375
Total Expenditures	<u>\$179,208</u>
Excess (Deficiency) of revenues over expenditures	\$7,542
Fund balance, beginning of year	\$63,046
Fund balance, end of year	<u>\$70,588</u>

See accompanying notes to the financial statements.

**Argyle 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, 2020

Net change in fund balances - governmental fund	\$7,542
Capital outlay, reported as expenditures in governmental fund, is shown as capital assets in Statement of Net Position	\$3,375
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	(\$33,324)
Change in net position of Statement of Activities	<u>(\$22,407)</u>

See accompanying notes to the financial statements.

**Argyle Fire District**  
Notes to Financial Statements  
September 30, 2020

**Nature of Organization**

The Argyle Fire District (the District) is an unincorporated district created by Ordinance 86-17 of the Walton County Board of County Commissioners to provide fire protection. The District's boundaries generally include all of the land, excluding any federal land or land within a municipality, in a specified area of Walton County as defined by Ordinance 86-17. The District is governed by a five (5) member elected commission. The powers of this Commission are regulated by ordinances and resolutions of the Fire District, Walton County, and the State of Florida.

**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 include the statement of net position and the statement of activities, and these statements 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 accounting. 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.



**Argyle Fire District**  
Notes to Financial Statements  
September 30, 2020

**Note A – Summary of Significant Accounting Policies (continued)**

When both restricted and unrestricted resources are available for use, it is 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, including 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.

**Argyle Fire District**  
Notes to Financial Statements  
September 30, 2020

**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 includes amounts that can be used only for specific purposes determined by a formal action of the government's highest decision making authority which is the Board of Commissioners. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally. There are no committed funds.

Assigned fund balance includes resources that are intended to be used for specific purposes. Intent can be expressed by the governing board (the board of commissioners) or by management to whom the governing body delegates the authority. There are no assigned funds.

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 expenditures, unassigned funds would be used to cover the remaining cost of the expenditure. 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.

The District does not have any proprietary funds.

**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 assets 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.

**Argyle Fire District**  
Notes to Financial Statements  
September 30, 2020

**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:

<u>Assets</u>	<u>Years</u>
Buildings	30 – 40
Improvements	20
Vehicles & Equipment	5 – 10
Office equipment	3
Furniture and fixtures	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 Walton 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 did not adopt a formal budget for the fiscal year. Therefore, a Budgetary Comparison Schedule was not included in the Required Supplementary Information.

**Estimates**

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 fire 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, 2020 was as follows:

	Balance 9/30/2019	Current Year:		Balance 9/30/2020
		Additions	Deletions	
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$12,710			\$12,710
Communications Tower	\$14,480			\$14,480
Total capital assets, not being depreciated	\$27,190	\$0	\$0	\$27,190
Capital assets, being depreciated:				
Buildings	\$58,254			\$58,254
Office Equipment	\$4,858			\$4,858
Fire Equipment	\$366,085	\$3,375		\$369,460
Fire Trucks	\$491,518			\$491,518
Communication Equipment	\$5,045			\$5,045
Computer Equipment	\$10,864			\$10,864
Total capital assets, being depreciated	\$936,624	\$3,375	\$0	\$939,999
Total Capital Assets before depreciation:	\$963,814	\$3,375	\$0	\$967,189
Less Accumulated Depreciation for:				
Buildings	\$34,671	\$2,861		\$37,532
Office Equipment	\$4,858			\$4,858
Fire Equipment	\$263,107	\$18,561		\$281,668
Fire Trucks	\$456,079	\$11,423		\$467,502
Communication Equipment	\$2,808	\$479		\$3,287
Computer Equipment	\$10,864			\$10,864
Total Accumulated Depreciation	\$772,387	\$33,324	\$0	\$805,711
Total Capital Assets being depreciated, net	\$164,237	(\$29,949)	\$0	\$134,288
Governmental activities capital assets, net	\$191,427	(\$29,949)	\$0	\$161,478

**Note E – Capital Lease**

The District had no capital leases for FY 2020.

**NOTE F – Federal and State Grants**

No federal grants were received during the fiscal year.  
No state grants were received during the fiscal year.

**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 – Subsequent Events**

Subsequent events have been evaluated through September 20, 2021, the date these financial statements were available to be issued, and no event was deemed to warrant recognition or disclosure.

**NOTE I – Covid Impact**

Due to the nature of the Districts operations Covid had little impact. The Districts resources were in higher demand and there was no effect on the accounting function. The district expects additional grants to be available in the future due to the pandemic.

**REQUIRED SUPPLEMENTARY INFORMATION  
(Other than MD&A)**

The district did not adopt a budget.  
Therefore a Budgetary Comparison Schedule could not be prepared and provided as  
required supplementary information (other than MD&A).

## COMPLIANCE SECTION



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CERTIFIED PUBLIC ACCOUNTANT**

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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  
Argyle Fire District  
Argyle, 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 Argyle Fire District ("the District"), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued my report thereon dated September 20, 2021.

**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 Argyle 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**

The 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  
September 20, 2021

**EDWARD E CHAPMAN**  
**CERTIFIED PUBLIC ACCOUNTANT**  
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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 2019 audit it was determined that the District did not formally adopt a budget.

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

**EDWARD E CHAPMAN  
CERTIFIED PUBLIC ACCOUNTANT**

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

Board of Directors  
Argyle Fire District  
Argyle, Florida

I have examined the Argyle Fire District's (the District) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2020. 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 District did not comply, in all material respects, with the aforementioned requirements for the year ended September 30, 2020.

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

# Argyle Fire District

67 Fire Department Ave  
PO Box 61  
Argyle, FL 32422  
Phone (850) 892-4702

September 20, 2021

Memorandum for: Edward E Chapman, Certified Public Accountant  
7224 US Hwy 11, Springville, AL. 35146

Subject: District's response to the FY2020 audit findings

**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 Town 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.

**District's response to audit finding 2020-01:** The District will complete and file the Public Deposit Annual Report. We will also complete and maintain the Florida Deposit Identification forms for each bank account on file.

**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 at the beginning of the year. The minutes to the monthly meetings should reflect approval and documentation of the budget presented should be retained.

**District's response to audit finding 2020-02:** The District will formally adopt a budget prior to the beginning of every year. We will also retain all documents related to the approved budget.

**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.

**District's response to audit finding 2020-03:** The District will enter all transactions and reconcile the bank account monthly no matter how immaterial or infrequent the activity.

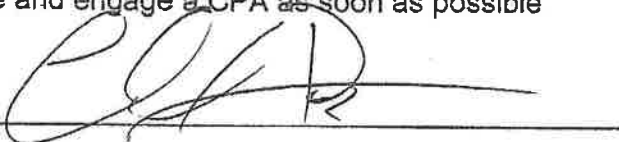
**Audit Finding, 2020-04, Annual audit not filed by state due date.**

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 restricts 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.

**District's response to audit funding 2020-04:** The District will continue to make information available and engage a CPA as soon as possible

Signed:



Title:

Vice - Chairman

Date:

2 August 2021