

ARGYLE FIRE DISTRICT
ARGYLE, FLORIDA

FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2022

EDWARD E CHAPMAN
Certified Public Accountant
Springville, Alabama
July 17, 2023

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INDEPENDENT AUDITORS' REPORT

To:
Board of Commissioners
Argyle Fire District
Argyle, Florida

Opinion

I have audited the accompanying financial statements of the governmental activities of Argyle Fire District, Argyle, Florida, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which comprise Argyle Fire District's basic financial statements as listed in the table of contents.

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, 2022 and respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

I conducted my audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of my report. I am required to be independent of the Argyle Fire District, and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Argyle Fire District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and governmental auditing standards, I:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Argyle Fire District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Argyle Fire District's ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that I identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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 July 17, 2023 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 Jr.

Edward E. Chapman
Certified Public Accountant
Springville, Alabama
July 17, 2023

**ARGYLE FIRE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2022**

As management of Argyle Fire District (the District), we offer readers of the financial statements this narrative overview and analysis of the District's financial activities for the fiscal year ended September 30, 2022.

FINANCIAL HIGHLIGHTS

Financial Highlights

- The assets of the District exceeded liabilities by \$422,553 and represents a change of (\$15,833) from the prior year. Of this amount, \$207,523 represents investment in capital assets and \$99,838 is unrestricted and may be used to meet the District's ongoing obligations to citizens and creditors.
- The District's governmental fund reported an ending balance of \$215,030 and represents a change of (\$13,223) from the prior year.
- At the end of the current fiscal year, the unassigned fund balance for the general fund was \$78,550 or 30%, of the general fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1. government-wide financial statements 2. fund financial statements 3. notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances in a manner similar to a private-sector business.

The statement of net position presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. This statement combines and consolidates the governmental fund's current financial resources (short-term spendable resources) with capital assets and long-term obligations. Over time, increases or decreases in net position may serve as a useful indicator of the financial position of the District.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flow in future fiscal periods.

The government-wide financial statements distinguish and demonstrate that, as a governmental activity, the District is principally supported by special assessments and intergovernmental revenues. The governmental activities of the District include public safety services (fire and emergency medical services). The government-wide financial statements are found on pages 13 - 14 of this report.

**ARGYLE FIRE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2022
(CONTINUED)**

FUND FINANCIAL STATEMENTS

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District has only a governmental fund.

FUNDS

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year.

Such information may be useful in evaluating a government's near-term financial requirements. The basic governmental fund financial statements are found on pages 15-18 of this report.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains one governmental fund (general fund). Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the general fund, which is considered a major fund.

The District adopts an annual appropriated budget for its general fund. A budgetary comparison schedule is provided for the general fund to demonstrate compliance with this budget.

NOTES TO THE FINANCIAL STATEMENTS

The notes provide additional information, which is essential to the full understanding of the data provided in the government-wide and fund financial statements. Beginning on page 19 of this report are the notes to the financial statements.

**ARGYLE FIRE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2022
(CONTINUED)**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve as a useful indicator of a government's financial position. In the case of the district, assets exceeded liabilities by \$422,553 (net position) as of September 30, 2022, as reported in Table 1.

The District's net position, \$422,553, reflects unrestricted funds of \$99,838, and investment in capital assets of \$207,523 less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

**Table 1
Condensed Summary of Net Position
September 30, 2021 and 2022**

	2021	2022
Assets		
Current and Other Assets	\$240,444	\$216,339
Capital Assets	\$210,133	\$207,523
Total Assets	\$450,577	\$423,862
Liabilities		
Current and Other Liabilities	\$12,191	\$1,309
Total Liabilities	\$12,191	\$1,309
Net Position		
Invested in Capital Assets	\$210,133	\$207,523
Unrestricted	\$72,929	\$99,838
Restricted	\$155,324	\$115,192
Total Net Position	\$438,386	\$422,553
Total Liabilities and Net Position	\$450,577	\$423,862

**ARGYLE FIRE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2022
(CONTINUED)**

**Table 2
Condensed Summary of Statement of Activities
For the Fiscal Years Ending September 30, 2021 and 2022**

	2021	2022
Revenues		
Special assessment	\$174,229	\$169,450
Interest	\$6	\$10
Miscellaneous	\$2,731	\$206
Rescue Revenue	\$4,173	\$9,972
Grant	\$58,835	\$26,717
Insurance Claim	\$195,518	\$32,624
Impact Fees	\$0	\$11,900
Total Revenues	\$435,492	\$250,879
Expenses		
Public Safety - Fire	\$229,172	\$266,712
Total Expenses	\$229,172	\$266,712
Change in Net Position	\$206,320	(\$15,833)
Net Position at Beginning of Year	\$232,066	\$438,386
Net Position at End of Year	\$438,386	\$422,553

During 2022, the change in net position was a decrease of \$15,833. This decrease was the result of decreased grant funding and decrease insurance claims. As of September 30, 2022, the excess of revenues over expenditures was decreased by \$222,153.

**ARGYLE FIRE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2022
(CONTINUED)**

GENERAL FUND BUDGETARY HIGHLIGHTS

The budget versus actual comparison is reported in the required supplementary information other than management discussion and analysis. Additional notes regarding the budget to actual comparison can be found in the notes to the financial statements.

CAPITAL ASSETS

The District's investment in capital assets for its governmental activities as of September 30, 2022 amounts to \$207,523 (net of depreciation). Capital assets include equipment, furniture, vehicles, fire trucks, and leasehold improvements.

Depreciation for the fiscal year 2022 amounted to \$22,817.

Additions for the fiscal year amounted to \$20,207, there were no deletions for fiscal year 2022. Additional information regarding capital assets can be found in the notes to the financial statements.

**Table 3
Summary of Capital Assets
For Fiscal Years Ending September 30, 2021 and 2022**

Capital Assets	2021	2022
Land	\$12,710	\$12,710
Tower	\$14,480	\$14,480
Total Capital Assets not Depreciating	\$27,190	\$27,190
Building, improvements, equipment	\$987,185	\$1,007,392
Total Capital Assets being Depreciated	\$987,185	\$1,007,392
Total Capital Assets	\$1,014,375	\$1,034,582
Accumulated Depreciation	(\$804,242)	(\$827,059)
Capital Assets Net of Depreciation	\$210,133	\$207,523

**ARGYLE FIRE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2022
(CONTINUED)**

LEASES

The District has no leases.

DEBT

The District has no debts.

ECONOMIC FACTORS AND NEXT YEARS BUDGETS AND RATES

The District relies on the fire assessments (non-ad valorem special assessments) and impact fees to provide for their governmental activities. There are a limited number of recurring and non-recurring grants from both state and federal governments, which provide funding for specific programs, projects, or activities. Florida's continued economic uncertainty and rise in cost will continue to affect the District's operational funding.

REQUESTS FOR INFORMATION

This financial report is designed to provide the reader an overview of the District. Questions regarding any information provided in this report should be directed to Commissioner (Chairman) Steve Richardson, PO Box 61 Argyle, FL 32422.

BASIC FINANCIAL STATEMENTS

Argyle Fire District
Statement of Net Position
September 30, 2022

	Governmental Activities
Assets	
Cash	\$78,550
Restricted Cash	\$115,192
Accounts Receivable	\$2,175
Prepaid Insurance	\$20,422
Capital Assets, Non-depreciable	\$27,190
Capital Assets, Depreciable, net	\$180,333
Total Assets	<u>\$423,862</u>
Liabilities	
Accounts Payable	\$1,309
Total Liabilities	<u>\$1,309</u>
Net position	
Investment in Capital Assets	\$207,523
Unrestricted	\$99,838
Restricted	\$115,192
Total Net Position	<u>\$422,553</u>

See accompanying notes to the financial statements.

Argyle Fire District
Statement of Activities
Year Ended September 30, 2022

	Governmental Activities
Expenditures	
Public Safety - Fire Protection	(\$181,247)
Public Safety - Personnel Service	(\$62,648)
Public Safety - Depreciation	(\$22,817)
Total Expenditures	<u>(\$266,712)</u>
Program Revenues	
Operating Grants	<u>\$26,717</u>
General Revenues	
Special Assessment	\$169,450
Interest	\$10
Impact Fees	\$11,900
Rescue Revenue	\$9,972
Insurance Claims	\$32,624
Miscellaneous	\$206
Total General Revenues	<u>\$224,162</u>
Total Revenues	<u>\$250,879</u>
Change in Net Position	<u>(\$15,833)</u>
Net Position Beginning	<u>\$438,386</u>
Net Position Ending	<u>\$422,553</u>

See accompanying notes to the financial statements.

Argyle Fire District
 Balance Sheet - Governmental Fund
 September 30, 2022

	General Fund
Assets	
Cash	\$78,550
Restricted Cash	\$115,192
Accounts Receivable	\$2,175
Prepaid Insurance	\$20,422
Total Assets	<u>\$216,339</u>
Liabilities and Fund Balances	
Accounts Payable	<u>\$1,309</u>
Total Liabilities	<u>\$1,309</u>
Fund Balances	
Nonspendable	\$20,422
Restricted for Capital Outlay	\$116,058
Unassigned	\$78,550
Total Fund Balances	<u>\$215,030</u>
Total Liabilities and Fund Balances	<u>\$216,339</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, 2022

Total Fund Balances, governmental fund balance sheet	\$215,030
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the governmental fund.

Capital Assets, Non-depreciable	\$27,190	
Capital Assets, Depreciable	\$1,007,392	
Total Capital Assets before Depreciation	<u>\$1,034,582</u>	
Less Accumulated Depreciation	<u>(\$827,059)</u>	
Total Capital Assets, Net of Depreciation		\$207,523

Total Net Position per Statement of Net Position	<u><u>\$422,553</u></u>
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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, 2022****Revenues:**

Special Assessments	\$169,450
Interest	\$10
Impact Fees	\$11,900
Rescue Revenue	\$9,972
Insurance Claims	\$32,624
Miscellaneous	\$206
Grants	\$26,717
Total Revenues	<u>\$250,879</u>

Expenditures:**Public Safety****Current**

Fire Protection	\$181,247
Personnel Service	\$62,648
Capital Outlay	\$20,207
Total Expenditures	<u>\$264,102</u>

Excess (Deficiency) of Revenues over Expenditures (\$13,223)

Fund Balance, Beginning of Year \$228,253

Fund Balance, End of Year \$215,030

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, 2022

Net change in fund balances - governmental fund (\$13,223)

Amounts reported for governmental activities in the statement of activities are different because:

The governmental funds report capital expenditures; however, in the statement of activities, the cost of those assets are depreciated over the estimated useful lives of the assets.

Expenditures for capital assets	\$20,207	
Less current year depreciation	(\$22,817)	
	<u> </u>	<u>(\$2,610)</u>

Change in net position of Statement of Activities	<u> </u>	<u>(\$15,833)</u>
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See accompanying notes to the financial statements.

**ARGYLE FIRE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND DESCRIPTION OF THE DISTRICT

Nature of operations

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. The District provides the following services: fire suppression, fire inspection, rescue and emergency medical services.

The financial statements of the District have been prepared in accordance with accounting principles generally accepted (GAAP) in the United States of America applicable to governmental units and the Uniform Accounting System mandated by Section 218.3, Florida Statutes. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting.

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

The Reporting Entity

As required by accounting principles generally accepted in the United States of America, these financial statements present the District as the primary government. In evaluating the District as a reporting entity, management has considered all potential component units for which the District may or may not be financially accountable and, as such, be included within the District's financial statements. As of September 30, 2022, the District had no component units.

Government-Wide and Fund Financial Statements

The basic financial statements include both government-wide (based on the District as a whole) and fund financial statements. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on the non-fiduciary activities of the primary government. Governmental activities, which normally are supported by special assessments and contract for service revenues, are reported separately from business-type activities (the District has no business-type activities to report on the government-wide financial statements), which rely, to a significant extent, on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Special assessments and other items not properly included among program revenues are reported instead as general revenue.

**ARGYLE FIRE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022
(CONTINUED)**

Measurement Focus and Basis of Accounting

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgements, are recorded only when payment is due.

The Walton County Tax Collector bills and collects property special assessments for the District in accordance with the laws of the State of Florida. Property special assessments attach as an enforceable lien on property as of the date of assessment and remain in effect until discharged by payment. Special assessments are payable when levied (on November 1st, or as soon thereafter as the assessment roll becomes available to the Tax Collector).

The following is the current Property tax calendar:

Levy Date	November 1 st
Due Date	November 1 st
Delinquent Date	April 1 st

Revenue recognition criteria for property special assessments requires that property special assessments expected to be collected within 30 days of the current period be accrued. No accrual has been made for 2022 fire special assessments because the special assessments are not legally due until subsequent to the end of the fiscal year. Current year special assessments, which are uncollected as of the end of the fiscal year, are generally immaterial in amount and highly susceptible to being uncollectible and therefore, are not recorded as a receivable at the balance sheet date. The accounts receivable reported in the basic financial statements is contract for services revenue for one month.

**ARGYLE FIRE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022
(CONTINUED)**

Basis of Presentation

The financial transactions of the District are recorded using fund accounting. A fund is a separate accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities of balances and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all special assessments.

The following classification is used to categorize the fund used by the District:

Governmental

Governmental funds focus on the determination of financial position and changes in financial position (sources, uses and balances of financial resources) and not net income. The District has the following major governmental fund:

General Fund – This is the District’s primary operating fund and is used to account for all financial resources except those required to be accounted for in another fund.

Assets, Liabilities, and Net Position or Fund Balance

Cash and Cash Equivalents

The District’s cash on hand, demand deposits and short-term investments are considered cash and cash equivalents for purposes of these statements, all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased are considered to be cash equivalents.

Impact fees and rescue revenues are classified as restricted cash and can only be used for the acquisition, purchase or construction of new facilities and equipment required to provide services to new users in the District.

Deposits and Investments

The District maintains its deposits only with “Qualified Public Depositories” as defined in chapter 280, Florida Statutes. The provisions of this statute allow “Qualified Public Depositories” to participate in a multiple financial institution collateral pool to ensure the security for public deposits. All “Qualified Public Depositories” must place with the Treasurer of the State of Florida securities which have a market value equal to 50% of all public funds on deposit at the end of each month in excess of any applicable deposit insurance. In the event of default by a qualified public institution, the state treasurer will pay public depositors all losses. Losses in excess of insurance and collateral will be paid through assessments among all “Qualified Public Depositories”.

**ARGYLE FIRE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022
(CONTINUED)**

The District does not have a formal written investment policy, but has adopted the investment policy as defined in Section 218.415, Florida Statutes, which requires the investment of surplus public funds and prescribes certain allowable investments including the Local Government Surplus Funds Trust Fund, Securities and Exchange Commission registered money market funds with the highest credit quality rating from the nationally recognized rating agency, interest-bearing time deposits or savings accounts in qualified public depositories or direct obligations of the U.S. Treasury. The District had no investments at September 30, 2022.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the government-wide and governmental fund financial statements.

Capital Assets

Capital assets, which include property, plant and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$1,000. Capital assets must also have an estimated useful life of longer than one year. Capital assets are recorded at cost where historical cost records are available and at an estimated historical cost when no historical records exist. Donated capital assets are reported at their estimated acquisition value on the date received.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset lives are not capitalized. Major improvements are capitalized and depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	20-40
Improvements other than buildings	20
Vehicles and equipment	3-10

**ARGYLE FIRE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022
(CONTINUED)**

Classification of Fund Balance

GASB guidance establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balance classifications are comprised of the following:

- *Nonspendable* – includes amounts that are (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example: prepaid items.
- *Restricted* – includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.
- *Committed* – includes amounts that can only be used for the specific purposes determined by a formal resolution of the District’s highest level of decision-making authority, the Commission. Commitments may be changed or lifted only by the District taking the same formal resolution that imposed the constraint originally.
- *Assigned* – comprises amounts intended to be used by the District for specific purposes that are neither restricted nor committed. *Intent* can be expressed by (a) the Commission or (b) a body (for example: a budget or finance committee) or official to which the Commission has delegated the authority to assign amounts to be set for specific purposes.
- *Unassigned* – 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.

These classifications reflect not only the nature of funds, but also provide clarity to the level of restriction placed upon fund balance. Fund balance can have different levels of restraint, such as external versus internal compliance requirements. Unassigned fund balance is a residual classification within the general fund. The general fund should be the only fund that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual fund balance. The District does not have a formal fund balance policy.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is generally considered to be expended from the most restrictive classification first.

**ARGYLE FIRE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022
(CONTINUED)**

Net Position

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first.

Estimates

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

New Accounting Pronouncement

During the fiscal year ended, September 30, 2022, the District implemented a new accounting standard issued by the Governmental Accounting Standards Board. Statement No. 87, Leases, establishes a single model for lease accounting based on a foundational principle that leases are financing the right-to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use asset, and the lessor is required to recognize a lease receivable and a deferred inflow of resources. The standard was adopted as of October 1, 2021. Since the District has no GASB 87 leases, no adjustments were required that would require restatement of prior year or a change in the current year's presentation of leases.

Subsequent Events

The District has evaluated events and transactions that occurred between September 30, 2022 and July 17, 2023, which is the date the financial statements were available to be issued, for possible recognition or disclosure in the financial statements. There were no subsequent events that affect the basic set of financials or my opinion. However, there are two subsequent events that do warrant disclosure.

- In June of 2023 the Office of Program Policy Analysis and Government Accountability completed a performance audit for years 2019, 2020, and 2021. The performance audit did note issues with governance such as budget, document retention, and procurement policy. These findings were reviewed and have been taken into consideration while developing the finding noted in the Management Letter.
- Argyle Fire District has established a contractual agreement on January 10, 2023 with Walton County Board of Commissioners. The agreement provides the District with \$125,000 of additional funding from the county by September 30, 2023. The District will also receive assistance with dispatching 911 calls, additional training, and hosting of the fire chief association meetings. In return the District agrees to follow all applicable rules, statues/procedures, closest unit response, and participate in the fire chief's association meetings.

**ARGYLE FIRE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022
(CONTINUED)**

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets

The District prepares an annual operating budget for the fiscal year commencing October 1st. Prior to September 1st of each year, the Secretary/Treasurer of the District's Board of Commissioners prepares a proposed budget for the upcoming fiscal year. The budget is based on an analysis of prior year actual revenues and expenditures, along with anticipated spending and revenue sources. Once the proposed budget is compiled, it is brought before the Board of Commissioners for approval. Budget amendments are approved by the Board of Commissioners.

Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded in order to reserve that portion of the applicable appropriation, is employed in the governmental funds. Encumbrances outstanding at year-end are reported as assigned fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year. For the year ended September 30, 2022, the District had no encumbrances.

3. CASH DEPOSITS

On September 30, 2022 the value of the District's deposits was \$193,742, all of which were held by Qualified Public Depositories under Chapter 280, Florida Statutes.

4. 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.

5. RELATED PARTY TRANSACTIONS

Charlie Day served as a board commissioner during the fiscal year 2022. The district contacted services from family members of Mr. Day during the period under audit. See chart below for additional details:

Ann Day (wife), bookkeeping services, total payments received \$5,400
Tammy Day (relative), administration services, total payments received \$3,050
Jonathan Day (son), fire chief services, total payments received \$34,621

**ARGYLE FIRE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022
(CONTINUED)**

6. CHANGES IN CAPITAL ASSETS

<u>Governmental Activities:</u>	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Capital Assets, not being Depreciated:				
Land	\$12,710	\$0	\$0	\$12,710
Communications Tower	\$14,480	\$0	\$0	\$14,480
Total Cost of Capital Assets, not being Depreciated:	\$27,190	\$0	\$0	\$27,190
Capital Assets, being Depreciated:				
Buildings	\$58,254	\$7,000	\$0	\$65,254
Office Equipment	\$4,858	\$0	\$0	\$4,858
Fire Equipment	\$440,606	\$13,207	\$0	\$453,813
Fire Trucks	\$467,559	\$0	\$0	\$467,559
Communication Equipment	\$5,044	\$0	\$0	\$5,044
Computer Equipment	\$10,864	\$0	\$0	\$10,864
Total Cost of Capital Assets, being Depreciation:	\$987,185	\$20,207	\$0	\$1,007,392
Total Cost of Capital Assets before Depreciation:	\$1,014,375	\$20,207	\$0	\$1,034,582
Less Accumulated Depreciation for:				
Buildings	\$39,756	\$2,311	\$0	\$42,067
Office Equipment	\$4,858	\$0	\$0	\$4,858
Fire Equipment	\$297,865	\$16,436	\$0	\$314,301
Fire Trucks	\$447,258	\$3,715	\$0	\$450,973
Communication Equipment	\$3,641	\$355	\$0	\$3,996
Computer Equipment	\$10,864	\$0	\$0	\$10,864
Total Accumulated Depreciation	\$804,242	\$22,817	\$0	\$827,059
Total Capital Assets being Depreciated, Net	\$182,943	(\$2,610)	\$0	\$180,333
Governmental Activities Capital Assets, Net	\$210,133	(\$2,610)	\$0	\$207,523

Depreciation expense included in the Statement of Activities was \$22,817

**ARGYLE FIRE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022
(CONTINUED)**

7. 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 employees, 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.

8. COMMITMENTS

Grant Agreements

In the normal course of operations, the District receives grant funds from various federal, state, and local agencies. The grant programs are subject to audit by agents of the granting authority, for the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability, if applicable, for reimbursements which may arise as the result of these audits is not believed to be material.

9. IMPACT FEES

The District received \$11,900 of impact fees. Fiscal year 2022 was the first year in which the District has collected impact fees.

10. RESCUE REVENUE

The District received \$9,972 in rescue revenue during the fiscal year 2022. Funds are remitted to the District by a third party vendor for the collection of insurance payments for which services were covered under private insurance coverage.

11. ACCOUNTS RECEIVABLE

Due to the nature of the District's funding it does not bill customers directly for assessments. Walton County remits assessment payments received based on a schedule which uses November 1st as the levy date. Most payments are received November thru April. Payments are considered delinquent after April 1st. The accounts receivable (\$2,175), reported in the basic financial statement is rescue revenue funds issued by a third party but not deposited until after September 30, 2022.

12. ACCOUNTS PAYABLE

The District's accounts payable balance of \$1,309 represents routine vendor payments as of September 30, 2022 not paid until October 2022.

**ARGYLE FIRE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022
(CONTINUED)**

13. GRANTS

The District received one federal grant funding in fiscal year 2022:

Federal Emergency Management Agency (FEMA)

Grant Approval Amount	\$21,717
Grant Revenue Received	\$21,717
Grant Expenditures (see below)	\$21,717
District Funded	\$0

FEMA Safer Grant distribution was received in FY 2022 to cover a minimum staffing for the District. This grant was used to cover a portion of the Fire Chief's compensation for FY 2022. The grant is reviewed yearly by FEMA and there is an opportunity to receive future distributions from FEMA. Grant has been closed as of 09/30/2022.

The District did not receive funding from state grants in fiscal year 2022.

The District received one grant from private funding in fiscal year 2022:

AAA of Florida

Grant Approval Amount	\$5,000
Grant Revenue Received	\$5,000
Grant Expenditures (see below)	\$13,207
District Funded	\$8,207

AAA of Florida administered a \$5000 grant to the district to be used for a battery-operated extrication tools. The District is responsible for any additional cost. The District purchased the equipment for a total cost of \$13,207 in FY 2022. Grant has been closed as of 09/30/2022.

14. BUDGET VARIANCES

The District had a budget variance of \$94,777 for the year ending September 30, 2022. This includes \$80,602 of expenditures in excess of the approved amount.

15. INSURANCE PROCEEDS

The District received \$32,624 in insurance claims during fiscal year 2022. The proceeds were received due to fire damage to a pumper truck. The District has obtain and estimate for the repairs but no work has been performed.

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

Argyle Fire DistrictSchedule of Revenue, Expenditures, and Changes in Fund Balance
Budget to Actual - General Fund
Year Ended September 30, 2022

<u>Revenues:</u>	Original/Final	Actual
Special assessment	\$175,865	\$169,450
Interest	\$0	\$10
Impact Fees	\$0	\$11,900
Rescue Revenue	\$0	\$9,972
Insurance Claims	\$0	\$32,624
Miscellaneous	\$5,000	\$206
Grant	\$84,189	\$26,717
Total Revenues	<u>\$265,054</u>	<u>\$250,879</u>
<u>Expenditures:</u>		
Fire protection	\$125,000	\$181,247
Personnel services	\$38,500	\$62,648
Capital outlay	\$20,000	\$20,207
Total Expenditures	<u>\$183,500</u>	<u>\$264,102</u>
Excess (Deficiency) of Revenue over Expenditures	\$81,554	(\$13,223)
Fund Balance, Beginning of Year	\$228,253	\$228,253
Fund Balance, End of Year	<u>\$309,807</u>	<u>\$215,030</u>

See accompanying notes to the financial statements.

COMPLIANCE SECTION

EDWARD E CHAPMAN
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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

To:
Board of Commissioners
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, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued my report thereon dated July 17, 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 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying *Management Letter, Financial Condition and Management* section.

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 JR.

Edward E Chapman
Certified Public Accountant
Springville, Alabama
July 17, 2023

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MANAGEMENT LETTER

To the Board of Commissioners
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, 2022, and have issued my report thereon dated July 17, 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 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 July 17, 2023, 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 2021. There was 1 audit finding in the FY 2021 audit. In my FY 2022 audit, I have found that the District had corrected 0 of 1 FY 2021 findings listed below.

Finding 2021-01 & 2020-03, Special Fund bank account was not reconciled

The District did not properly reconcile the Special Fund bank account for FY 2021.

Status of Finding: In my FY 2022 audit I determined that the District did not properly reconcile the Special Fund bank account. Finding 2021-01 & 2020-03 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 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 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 the 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 FY 2022 audit, I have eight audit findings or recommendations.

Finding 2022-01 (2021-01 & 2020-03), Special Fund bank account was not reconciled

The District did not properly reconcile the Special Fund bank account during FY 2022.

Recommendation: The District should ensure all transactions in the Special Fund bank account are timely recorded and reconciled.

Finding 2022-02, Impact Fee bank account was not reconciled

The District did not properly reconcile the Impact Fee bank account for FY 2022.

Recommendation: The District should ensure all transactions in the Impact Fee bank account are timely recorded and reconciled.

Finding 2022-03, General Fund account was not properly reconciled

The District did reconcile the general fund bank account but many old offsetting transactions were not cleared from the reconciliation in a timely manner.

Recommendation: The District should clear old transactions according the particular situation of each uncleared transaction.

Finding 2022-04, Lack of deposit detail documentation

The District could not provide documents detailing the deposit of \$1,778 (insurance refund), \$206 (miscellaneous income), or \$650 (impact fees).

Recommendation: The District should ensure deposit detail is maintained for all deposits.

Finding 2022-05, Misclassification of deposits and expenditures

The District misclassified deposit related to insurance refunds (\$1,778) and rescue revenue (\$5,278). The district also misclassified expenditures related to fixed assets, fuel incentives, and various other expenditures.

Recommendation: The District should ensure all deposits and expenditures are classified to the correct account.

Finding 2022-06, Non-compliance with Florida Statue 13, chapter 189.064 (Special District Accountability Program).

The District's website was not updated with documentation as prescribed by Florida Statutes. Documents not posted to the District's website included budget, board meeting minutes and prior years audit.

Recommendation: The District should review the relevant Florida Statutes and ensure all required documents are available on the District's official website.

Finding 2022-07, Non-compliance with Florida Statue 13, chapter 189.016 (Special District Reports, Budgets, Audits).

The District's actual expenditures exceeded the budgeted amount by \$80,602. Florida Statue 189.016 (3) require expenditures incurred to be pursuant to the adopted budget.

Recommendation: The District should review the relevant Florida Statutes and adopt an amended budget as required.

Finding 2022-08, Non-compliance with Florida Statue 14, chapter 189.032 (Special District Annual Reports).

The District's did not file the FY 2022 annual report timely. Florida Statutes 14, chapter 189.032 requires the annual report to be filed with the State of Florida by June 30 of each FY.

Recommendation: The District should ensure that all relevant documentation is available at the start of the audit. The District should also reconcile all bank accounts and properly classify deposits and expenditures prior to submitting the trail balance for audit.

Finding 2022-09, Lack of a formal five-year plan to address facilities, equipment, personnel, and revenue requirements.

The District did not have a formal five-year plan to address facilities, equipment, personnel, and revenue requirements.

Recommendation: The District should develop a five-year plan and update the plan as required.

Finding 2022-10, Lack of a formal procurement policy.

Although the District does have procedures in place to ensure all purchases are board reviewed, the District did not have a formal written procurement policy.

Recommendation: The District should formalize a written procurement policy and update the policy as required.

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. Argyle 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 Argyle Fire District reported:

16. The total number of district employees compensated in the last pay period of the district fiscal year as 0.
17. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year as 3.
18. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$0.
19. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$62,648.
20. 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 \$0.
21. No budget variance or amendments based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported. See Finding 2022-06 and 2022-07 for findings related to the budget.

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

The Argyle Fire District does not impose ad valorem taxes. No ad valorem taxes were imposed or collected in FY2022. There are no outstanding bonds.

- a. The millage 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 Argyle Fire District reported:

- a. Annual rates of non-ad valorem special assessments imposed by the District for the audit year were \$100.00 per residential dwelling, \$200.00 for the first 4 residential trailer/townhouse/apartment, \$30.00 for each additional unit. \$200.00 per dwelling on business under 5,000 square feet. \$300.00 for business dwelling over 5,000 square feet with \$300.00 addition per 5,000 square feet.
- b. The total amount of special assessments collected by or on behalf of the district was \$169,450.
- 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 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 JR.

Edward E Chapman
Certified Public Accountant
Springville, Alabama
July 17, 2023

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**INDEPENDENT ACCOUNTANT'S REPORT ON EXAMINATION OF COMPLIANCE
REQUIREMENTS IN ACCORDANCE WITH CHAPTER 10.550, RULES OF THE AUDITOR
GENERAL**

To:
Board of Commissioners
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, 2022.

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. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the District complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the District complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risk of material noncompliance, whether due to fraud or error. I believe that the evidence I obtained is sufficient and appropriate to provide 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 Argyle Fire District did comply, in all material respects, with the aforementioned requirements for the year ended September 30, 2022.

Edward E. Chapman, Jr.

Edward E Chapman
Certified Public Accountant
Springville, Alabama
July 17, 2023

Argyle Fire District

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

July 11, 2023

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

Subject: District's response to the FY2022 audit findings

Finding 2022-01 (2021-01 & 2020-03), Special Fund bank account was not reconciled

The District did not properly reconcile the Special Fund bank account during FY 2022.

District's response to audit finding 2022-01: The District will enter all transactions and reconcile the bank account monthly no matter how immaterial or infrequent the activity.

Finding 2022-02, Impact Fee bank account was not reconciled

The District did not properly reconcile the Impact Fee bank account for FY 2022.

District's response to audit finding 2022-02: The District will enter all transactions and reconcile the bank account monthly no matter how immaterial or infrequent the activity.

Finding 2022-03, General Fund account was not properly reconciled

The District did reconcile the general fund bank account but many old offsetting transactions were not cleared from the reconciliation in a timely manner.

District's response to audit finding 2022-03: The District will review the general fund reconciliation for improvements. Uncleared old activity will be reviewed in particular.

Finding 2022-04, Lack of deposit detail documentation

The District could not provide documents detailing the deposit of \$1,778 (insurance refund), \$206 (miscellaneous income), or \$650 (impact fees).

District's response to audit finding 2022-04: The District will communicate to the relevant parties the need to maintain deposit documentation on file for all deposits. The board may request deposit detail to be produced at the monthly board meeting.

Finding 2022-05, Misclassification of deposits and expenditures

The District misclassified deposits related to insurance refunds (\$1,778) and rescue revenue (\$5,278). The district also misclassified expenditures related to fixed assets, fuel incentives, and various other expenditures.

District's response to audit finding 2022-05: The bookkeeper will isolate transactions where the classification is questionable. The board will review these transactions for final determination.

Finding 2022-06, Non-compliance with Florida Statue 13, chapter 189.064 (Special District Accountability Program).

The District's website was not updated with documentation as prescribed by Florida Statutes. Documents not posted to the District's website included budget, board meeting minutes and prior years audit.

District's response to audit finding 2022-06: The District maintains paper and electronic copies of required documentation. The District will obtain assistance with the IT aspect of uploading documents to the District's website and ensure all documentation is available on the District's website in a timely manner as required by Florida Statutes.

Finding 2022-07, Non-compliance with Florida Statue 13, chapter 189.016 (Special District Reports, Budgets, Audits).

The District's actual expenditures exceeded the budgeted amount by \$80,602. Florida Statue 189.016 (3) require expenditures incurred to be pursuant to the adopted budget.

District's response to audit finding 2022-07: The Board will review the budget monthly and amend the budget as required by Florida Statutes.

Finding 2022-08, Non-compliance with Florida Statue 14, chapter 189.032 (Special District Annual Reports).

The District's did not file the FY 2022 annual report timely. Florida Statutes 14, chapter 189.032 requires the annual report to be filed with the State of Florida by June 30 of each FY.

District's response to audit finding 2022-08: The District did engage a CPA to perform the audit well in advance of the audit deadline. Due to the auditors schedule the audit was not started until May of 2023. The unforeseen documentation issue will be addressed by the board so that the timeframe needed to complete the audit is decreased to facilitate timely completion of the audit.

Finding 2022-09, Lack of a formal five-year plan to address facilities, equipment, personnel, and revenue requirements.

The District did not have a formal five-year plan to address facilities, equipment, personnel, and revenue requirements.

District's response to audit finding 2022-09: The District has is currently formalizing a five-year plan and will update the plan as required.

Finding 2022-10, Lack of a formal procurement policy.

Although the District does have procedures in place to ensure all purchases are board reviewed, the District did not have a formal written procurement policy.

District's response to audit finding 2022-10: The District formalize a written procurement policy on February 13, 2023 and will update the policy as required.

Signed: 

Title: Chairman

Date: 7/13/2023