Argyle Fire District

FINANCIAL STATEMENTS

September 30, 2025

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying financial statements of the governmental activities and the major fund of Argyle Fire District (District) as of and for the year ended September 30, 2025, and the related notes to financial statements, which collectively comprise Argyle Fire District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the District, as of September 30, 2025, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 4 through 8, and the budgetary comparison information on page 27, 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures performed do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2026, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and on compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC
Panama City Beach, Florida
June 30, 2026

Management’s Discussion and Analysis

As management of the Argyle Fire District (the District), we provide readers of the financial statements with this narrative overview and analysis of the District’s financial activities for the fiscal year ended September 30, 2025.

FINANCIAL HIGHLIGHTS

Financial Highlights

- The total assets of the District exceeded liabilities by $894,615 at the end of the fiscal year.
- The District’s net position decreased by $13,204 or 1% from the prior year.
- The District’s total revenues decreased by $399,199 or 47% from the prior year.
- The District’s total expenses decreased by $17,632 or 4% from the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the District’s basic financial statements. The District’s basic financial statements are comprised of the following: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other essential information to assist the reader to better understand the data supplied in the basic financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are designed to provide readers with a comprehensive overview of the District’s finances, presented like that of 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 District's financial position.

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 located on pages 9-10 of this report.

FUND FINANCIAL STATEMENTS

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 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 located on pages 11-14 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 financial 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 the budget.

NOTES TO THE FINANCIAL STATEMENTS

The notes provide additional information, which is essential for a complete understanding of the data presented in the government-wide and fund financial statements. Beginning on page 15 of this report are the notes to the financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve as a valuable indicator of a government's financial position. In the case of the District, assets exceeded liabilities by $894,615 (net position) as of September 30, 2025.

The District's net position, $894,615, reflects unrestricted funds of $259,503 and an investment in capital assets of $575,943, less any related debt used to acquire those assets that remains outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

The following schedule provides a summary of the assets, liabilities, and net position of the District at September 30, 2025 and 2024.

September 30,		**2025**		**2024**
Cash and cash equivalents	$	326,817	$	201,964
Other current assets		14,486		149,071
Capital assets, net		725,444		569,196
Total assets		1,066,747		920,231
Current liabilities		22,631		12,412
Long-term liabilities		149,501		-
Total liabilities		172,132		12,412
Deferred inflows of resources		-		-
Net position				
Net investment in capital assets		575,943		569,196
Restricted		59,169		178,825
Unrestricted		259,503		159,798
Total net position	$	894,615	$	907,819

The following schedule provides a summary of the change in net position for the years ended September 30, 2025 and 2024.

Year ended September 30,		2025		2024
Program revenues				
Operating grants and contributions	$	135,788	$	533,863
General revenues				
Property taxes		186,034		175,984
Impact fees		2,700		6,250
Miscellaneous		-		200
Proceeds from disposal of assets		52,577		-
Interest income		11		12
Total revenues		377,110		716,309
Expenses				
Administrative		32,577		24,913
Fire protection		357,737		383,033
Total expenses		390,314		407,946
Change in net position		(13,204)		308,363
Net position, beginning of year as previously reported		855,420		547,057
Error corrections		52,399		52,399
Net position, beginning of year as restated		907,819		599,456
Net position, end of year	$	894,615	$	907,819

During 2025, the change in net position was a decrease of $13,204. This decrease was the result of decreased grant funding and contributions which were partly offset by an insurance recovery of $52,577. As of September 30, 2025, the change in net position decreased by $321,567 as compared to the prior fiscal year.

GENERAL FUND BUDGETARY HIGHLIGHTS

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

CAPITAL ASSETS

As of September 30, 2025, the District's investment in capital assets for its governmental activities amounts to $725,444 (net of depreciation). Capital assets include land, buildings, equipment, furniture, vehicles, and fire trucks.

Depreciation for fiscal year 2025 totaled $98,308. Additions for the fiscal year amounted to $254,555. There were no deletions for fiscal year 2025.

The following schedule provides a summary of the District's capital assets.

September 30,	2025	2024
Land	$ 12,710	$ 12,710
Communications tower	14,480	14,480
Buildings	58,254	58,254
Fire equipment	928,555	928,555
Fire trucks and other vehicles	729,114	474,559
Office, computer, and communications equipment	20,766	20,766
	1,763,879	1,509,324
Accumulated depreciation	(1,038,435)	(940,127)
Total	$ 725,444	$ 569,197

DEBT ACTIVITY

As of September 30, 2025, the District had a note payable outstanding in the amount of $149,501. This borrowing was for the purchase of a fire truck. More detail on the District's long-term debt is presented in note 2 of the notes to the basic financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The District relies on fire assessments (non-ad valorem special assessments) and impact fees to provide for its governmental activities. A limited number of recurring and non-recurring grants from state and federal governments provide funding for specific programs, projects, or activities. Florida's continued economic uncertainty and rising costs will continue to impact the District's operational budget.

CONTACTING THE DISTRICT

This financial report is designed to give 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.

Argyle Fire District
Statement of Net Position

September 30, 2025		Governmental Activities
Assets		
Cash and cash equivalents	$	267,648
Prepaid items		14,486
Restricted assets		
Cash and cash equivalents		59,169
Capital assets		
Non-depreciable		27,190
Depreciable, net		698,254
Total assets		1,066,747
Liabilities		
Accounts payable		17,207
Accrued liabilities		5,424
Non-current liabilities		
Due within one year		
Note payable		21,490
Due in more than one year		
Note payable		128,011
Total liabilities		172,132
Net position		
Net investment in capital assets		575,943
Restricted for		
Public safety		59,169
Unrestricted		259,503
Total net position	$	894,615

Argyle Fire District
Statement of Activities

For the year ended September 30, 2025

		Program Revenues			Net (Expense) Revenue and Change in Net Position — Primary Government
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities					
Administrative	$ 32,577	$ -	$ -	$ -	$ (32,577)
Fire protection	357,737	-	135,788	-	(221,949)
Total primary government	$ 390,314	$ -	$ 135,788	$ -	(254,526)

General revenues	
Property taxes	186,034
Impact fees	2,700
Gain from disposal of assets	52,577
Interest income	11
Total general revenues	241,322
Change in net position	(13,204)
Net position, beginning of year as previously reported	855,420
Error corrections (see Note 5)	52,399
Net position, beginning of year as restated	907,819
Net position, end of year	$ 894,615

Argyle Fire District
Balance Sheet – Governmental Fund

September 30, 2025		General Fund
Assets		
Cash and cash equivalents	$	267,648
Restricted cash and cash equivalents		59,169
Prepaid items		14,486
Total assets	$	341,303
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$	17,207
Accrued liabilities		5,424
Total liabilities		22,631
Fund balances		
Nonspendable		14,486
Restricted for public safety		59,169
Unassigned		245,017
Total fund balances		318,672
Total liabilities and fund balances	$	341,303

The accompanying notes are an integral part of these financial statements.

Argyle Fire District
Reconciliation of the Balance Sheet of Governmental Fund to the Statement of Net Position

September 30, 2025

Total fund balances - governmental funds			$	318,672
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 funds.				
Governmental capital assets	$	1,763,879		
Less accumulated depreciation		(1,038,435)		725,444
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.				
Note payable				(149,501)
Net position of governmental activities			$	894,615

Argyle Fire District
Statement of Revenues, Expenditures, and Change in Fund Balance – Governmental Fund

	General Fund	(Formerly Major) Capital Project Fund	Total
Operating Revenues			
Property taxes	$ 186,034	$ -	$ 186,034
Grants and contributions	135,788	-	135,788
Impact fees	2,700	-	2,700
Interest income	11	-	11
Proceeds from disposal of assets	52,577	-	52,577
Total operating revenues	377,110	-	377,110
Operating Expenditures			
Current			
Administrative	32,577	-	32,577
Fire protection	250,372	-	250,372
Capital outlay			
Fire protection	254,555	-	254,555
Debt service			
Principal	26,753	-	26,753
Interest	9,057	-	9,057
Total operating expenditures	573,314	-	573,314
Operating income (loss)	(196,204)	-	(196,204)
Other Financing Sources (Uses)			
Proceeds from issuance of debt	176,254	-	176,254
Total other financing sources (uses)	176,254	-	176,254
Change in fund balances	(19,950)	-	(19,950)
Fund balances, beginning of year	239,051	47,172	286,223
Adjustments (see Note 5)	47,172	(47,172)	-
Error corrections (see Note 5)	52,399	-	52,399
Fund balances, beginning of year after adjustments	338,622	-	338,622
Fund balances, end of year	$ 318,672	$ -	$ 318,672

The accompanying notes are an integral part of these financial statements.

Argyle Fire District

Reconciliation of the Statement of Revenues, Expenditures, and Change in Fund Balance of the Governmental Fund to the Statement of Activities

For the year ended September 30,		2025
Net change in fund balances - total governmental funds	$	(19,950)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.		156,247
Issuance of long-term debt is an other financing source in the governmental funds, but increases long-term liabilities in the statement of financial position.		(176,254)
Repayment of note principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		26,753
Change in net position of governmental activities	$	(13,204)

The accompanying notes are an integral part of these financial statements.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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. Ordinances and resolutions of the Fire District, Walton County, and the State of Florida regulate the powers of this Commission. The District provides the following services: fire suppression, fire inspection, rescue, and emergency medical services.

Reporting Entity

The District operates as a special district, governed by an elected Board of District Commissioners. The District provides fire protection as by Statutes. There are no entities that required inclusion as component units in the District's statements. The more significant accounting policies used by the District are described below.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *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. Taxes and other items not properly included among program revenues are reported instead as *general revenues.*

Separate financial statements are provided for the general fund which is the only governmental fund. The District does not have any proprietary or fiduciary funds.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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 liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized 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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The 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 government 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 claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes 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 fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the District.

Government-wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds. Separate financial statements are provided for the governmental fund.

Fund Financial Statements

The fund financial statements provide information about the District's funds. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented when applicable. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The District reports the following major governmental fund:

The *general fund* is the District's primary operating fund. It accounts for resources devoted to financing the special services that the District performs for its citizens and all financial resources of the general government, except those accounted for in another fund.

Budgetary Information

Budgetary Basis of Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Information (continued)

Budgetary Basis of Accounting (continued)

The appropriated budget is prepared by fund and function. Florida Statutes provide that it is unlawful to make expenditures that exceed the total amount budgeted for each fund. Chapter 166, Florida Statutes, governs the manner in which the budget may be legally amended once it has been approved. Therefore, the legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

Excess of Expenditures Over Appropriations

For the year ended September 30, 2025, expenditures exceeded appropriations in the capital improvement and debt service of the general fund (the legal level of budgetary control) by $159,555 and $35,810, respectively. Overspending is considered a budgetary violation.

Assets, Liabilities, and Net Position or Fund Balance

Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Receivables

Receivables are reported at their gross value and, where appropriate, reduced by the estimated portion that is expected to be uncollectible.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaids in both the government-wide and fund financial statements. The cost of prepaids are recorded as expenditures/expenses when consumed rather than when purchased.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, and Net Position or Fund Balance (continued)

Restricted Assets

Certain assets of the District are classified as restricted assets on the statement of net position because their use is limited by law through constitutional provisions or enabling legislation; or by restrictions imposed externally by creditors, grantors, contributors or laws or regulations of other governments. Special restricted asset accounts have been established to account for the sources and uses of these limited use assets as follows:

Impact fees and rescue revenues deposit account - 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.

County funds deposit account – must be kept separate to provide quarterly statements to the County Commissioners and cannot be mixed with any other funds.

Capital Assets

Capital assets, which include property 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 $5,000 and an estimated useful life in excess of one year.

Land and construction in progress are not depreciated. The other property equipment of the primary government are depreciated using the straight line method over the following estimated useful lives:

Buildings	15 - 30
Equipment	3 - 10
Fire trucks and trailer	5 - 20

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities of net position.

Categories and Classification of Net Position and Fund Balance

Net position flow assumption – Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, and Net Position or Fund Balance (continued)

Categories and Classification of Net Position and Fund Balance (continued)

Fund balance flow assumptions – Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund balance policies – Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The District itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The provisions of GASBC Section 1800, *Classification and Terminology*, specifies the following classifications:

Nonspendable fund balance – Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted fund balance – Restricted fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance – The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision-making authority. The Board of Fire Commissioners is the highest level of decision-making authority for the District that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Assigned fund balance – Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as committed. The Board of Fire Commissioners have by resolution authorized the finance director to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Unassigned fund balance – Unassigned fund balance is the residual classification for the General Fund.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues and Expenditures/Expenses

Program revenues – Amounts reported as *program revenues* include operating grants and contributions and capital grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. Impact fees and taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Property taxes - Property taxes consist of ad valorem taxes on real and personal property within the District. The Walton County Property Appraiser determines property values. The Walton County Tax Collector collects property taxes. State law provides for enforcement of collection of personal property taxes by seizure of the property to satisfy unpaid taxes and for enforcement of collection of real property taxes by the sale of interest-bearing tax certificates. Property tax revenues are recognized when taxes are received by the District. Because any delinquent taxes collected after September 30 would not be material, delinquent taxes due are not accrued at year end. The District's millage rate for the year ended September 30, 2025, was 3.75 mils. The tax levy of the District is established by the Districts' Board prior to October 1 of each year.

The District's tax calendar is as follows:

Tax Lien Date: January 1
Tax Levy Date: Not later than October 1
Delinquent Date: April 1 of year following assessment
Payment Period: November through March (up to 4% discount for early payment)
Tax Delinquent Date: April 1
Tax Certificates Sold: May 31

Encumbrances

Encumbrance accounting is not utilized as an extension of the formal budgetary process in the governmental fund. Therefore, no provision for encumbrances has been made.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 30, 2026 and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements

GASB Statement No. 100, *Accounting Changes and Error Corrections*, this Statement establishes accounting and financial reporting requirements for (a) accounting changes and (b) the correction of an error in previously issued financial statements (error correction). This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI).

GASB Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide essential information about risks related to a government’s vulnerabilities due to certain concentrations (a lack of diversification related to an aspect of a significant revenue source or expense) or constraints (limitations imposed externally or by formal action of a government’s highest level of decision-making authority). A government is required to disclose information about such risks if a concentration or constraint (1) is known to the government before the financial statements are available to be issued, (2) makes the government vulnerable to the risk of a substantial impact, and (3) an event or events associated with the concentration or constraint that could cause the substantial impact has occurred, begun to occur, or is more likely than not to begin to occur within 12 months of the date the financial statements are available to be issued. There were no significant impacts of implementing this Statement.

The Governmental Accounting Standards Board (GASB) has issued statements that will become effective in future years. These statements are as follows:

GASB Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting blueprint to enhance its effectiveness in providing essential information and to address certain application issues. The Statement requires changes to management’s discussion and analysis to make it easier to read and understand and to focus on explaining the reasons why balances and results of operation have changed. The Statement also provides more explicit definitions of operating and nonoperating revenues and expenses and changes the presentation of nonoperating revenues

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (continued)

and expenses in the proprietary funds statement of revenues, expenses, and changes in fund net position. The new standards also (1) combine extraordinary items and special items into a single category, unusual or infrequent items, and clarify how they should be reported; (2) limits the reporting of major component unit information to the face of the government-wide financial statements, if it does not reduce their readability, or in combining financial statements following the fund financial statements; and (3) requires that budgetary comparisons be presented as required supplementary information, eliminating the option to present them as basic financial statements. The only significant impact of implementing Statement 103 was the change from displaying nonoperating revenues and expenses in a single section of the proprietary funds statement of revenues, expenses, and changes in fund net position to separately displaying noncapital subsidies from other nonoperating revenues and expenses.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. In addition to existing requirements regarding the level of detail at which notes to financial statements should disclose intangible right-to-use lease and subscription-based information technology arrangements (SBITA) assets, the Statement requires that (1) intangible right-to-use assets recognized by government operators in a public-public partnership should be disclosed by major class of underlying asset; (2) other types of intangible assets should be disclosed by major class; and (3) right-to-use assets should be disclosed separately from owned assets of the same type. The Statement also establishes that capital assets held for sale are those a government has decided to sell and whose sale within a year of the financial statement date is probable. Capital assets held for sale should be disclosed together with other capital assets of the same class. Governments also should disclose in notes the historical cost and accumulated depreciation (or amortization) of capital assets held for sale, as well as the carrying amount of debt for which they are pledged as collateral, by major class of asset for governmental and business-type activities. There were no significant impacts of implementing this Statement.

GASB Statement No. 105, *Subsequent Events*. The objective of this Statement is to enhance the consistency with which the standards for reporting subsequent events are applied, thereby better meeting the information needs of financial statement users. The Statement defines subsequent events as transactions or other events that occur after the date of the financial statements but before the date the financial statements are available to be issued (that is, when the financial statements are complete in a form and format that complies with generally accepted accounting principles and approval necessary for issuance have been obtained), rather than the date financial statements are issued. The date through which subsequent events have been evaluated should be disclosed. A recognized subsequent event provides evidence of conditions that existed at the financial statement date that inform accounting estimates reported as of the financial statement date and should be reflected in those estimates. A nonrecognized subsequent event results in a significant effect (favorable or unfavorable) that is recognized or disclosed in the basic financial statements in the reporting period in which the event occurs and is one of the following: a debt-related transaction; government acquisition or a disposal of government operations; a change to the legally separate entities that compose the financial reporting entity; or, a transaction or other event that is of such a nature that disclosure is essential to a user's analysis for making decisions or assessing accountability. Governments will be required to disclose a description of the nonrecognized event and its effect and estimate of the amount of the effect (or the reason why an estimate cannot be made).

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (continued)

The District is evaluating the requirements of the above statements and their impact on reporting.

Note 2: DETAILED NOTES ON ALL FUNDS

Deposits

As of September 30, 2025, the District's bank balances are covered by federal depository insurance (FDIC). Monies invested in amounts greater than the insurance coverage are secured by the qualified public depositories pledging securities with the State Treasurer in such amounts required by the Florida Security for Public Depositories Act. In the event of a default or insolvency of a qualified public depositor, the State Treasurer will implement procedures for payment of losses according to the validated claims of the District pursuant to Section 280.08, Florida Statutes.

Custodial credit risk – Custodial credit risk for deposits is the risk in the event of the failure of a depository financial institution a government may not be able to recover deposits. Monies placed on deposit with financial institutions in the form of demand deposits, time deposits or certificate of deposits are defined as public deposits. The financial institutions in which the District places its deposits are certified as "qualified public depositories," as required under the Florida Security for Public Deposits Act. For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

Capital Assets

The following is a summary of changes in capital assets during the year ended September 30, 2025:

For the year ended September 30, 2025	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated				
Land	$ 12,710	$ -	$ -	$ 12,710
Communications tower	14,480	-	-	14,480
Capital assets not being depreciated	$ 27,190	-	-	$ 27,190

(Continued)

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Capital Assets (continued)

For the year ended September 30, 2025	Beginning Balance	Increases	Decreases	Ending Balance
Buildings	$ 58,254	-	-	$ 58,254
Fire equipment	928,555	-	-	928,555
Fire trucks and other vehicles	474,559	254,555	-	729,114
Office equipment	4,858	-	-	4,858
Computer equipment	10,864	-	-	10,864
Communication equipment	5,044	-	-	5,044
Capital assets, being depreciated	1,482,134	254,555	-	1,736,689
Less accumulated depreciation for				
Buildings	(44,863)	(1,184)	-	(46,047)
Fire equipment	(415,700)	(69,007)	-	(484,707)
Fire trucks and other vehicles	(459,137)	(27,777)	-	(486,914)
Office equipment	(4,858)	-	-	(4,858)
Computer equipment	(10,864)	-	-	(10,864)
Communication equipment	(4,705)	(340)	-	(5,045)
Total accumulated depreciation	(940,127)	(98,308)	-	(1,038,435)
Total capital assets, being depreciated, net	542,007	156,247	-	698,254
Governmental activities capital assets, net	$ 569,197	$ 156,247	$ -	$ 725,444

Depreciation expense of $98,308 was charged to the fire protection function.

Long-Term Debt and Liabilities

Note payable

On October 14, 2024, the District borrowed $176,254 through a local bank for the purpose of purchasing a new fire truck. The interest rate is 5.894%, principal and interest payable annually, commencing on February 15, 2025. The loan is secured by the fire truck purchased with loan proceeds. Interest of $3,550 was paid on the note during the year ended September 30, 2025. As of September 30, 2025, the remaining principal on the note was $149,501. The note's maturity date is February 15, 2031.

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Long-Term Debt and Liabilities (continued)

Notes payable (continued)

The following is a summary of notes payable for the year ended September 30, 2025:

For the years ending	2024 Ford Truck Loan		Total	
September 30,	Principal	Interest	Principal	Interest
2026	$ 21,490	$ 8,812	$ 21,490	$ 8,812
2027	22,757	7,546	22,757	7,546
2028	24,098	6,204	24,098	6,204
2029	25,519	4,783	25,519	4,783
2030	27,023	32,380	27,023	32,380
2031	28,614	1,687	28,614	1,687
Total	149,501	61,412	149,501	61,412
Current portion	(21,490)	(8,812)	(21,490)	(8,812)
Payable after one year	$ 128,011	$ 52,600	$ 128,011	$ 52,600

Changes in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2025, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Notes payable					
2024 Ford Truck Loan	$ -	176,254	(26,753)	149,501	$ 21,490
Long-term liabilities	$ -	176,254	(26,753)	149,501	$ 21,490

Note 3: RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District purchases commercial insurance to cover the risk of loss.

Note 4: COMMITMENTS AND CONTINGENCIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal and state governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures from current or prior years which may be disallowed by the grantor cannot be determined at this time, although the District expects such amounts not recorded, if any, to be immaterial.

Note 5: CHANGE IN FUND REPORTING AND ERROR CORRECTION

The District’s fiscal year 2025 financial statements reflect a change within the financial reporting entity and the correction of an error in previously issued financial statements. GASB Statement No. 100, *Accounting Changes and Error Corrections,* requires disclosure of their nature and effect on amounts reported in the financial statements.

During the current year, the District determined that the Capital Project Fund did not meet the requirements for separate fund reporting and should have been included in the General Fund. Accordingly, beginning fund balance was restated to reclassify the fund's balances and activities to the General Fund. This reclassification had no effect on total governmental fund balances or governmental activities net position.

During fiscal year 2024 the District incurred allowable costs under the Federal Emergency Management Agency Staffing for Adequate Fire and Emergency Response (SAFER) grant. In the previously issued financial statements, the related grants receivable and grant revenue were not recognized in fiscal year 2024; instead the reimbursement was recorded as revenue in fiscal year 2025.

Note 5: CHANGE IN FUND REPORTING AND ERROR CORRECTION (Continued)

The following table summarizes the restatement to the District's beginning net position and fund balance as a result of the error correction:

	Fund Financial Statements	
	Capital Project Fund	General Fund
9/30/24 fund balance as previously reported	$ 47,172	$ 239,051
Change in fund reporting	(47,172)	47,172
Error correction	-	52,399
9/30/24 fund balance as restated and adjusted	$ -	$ 338,622

	Government-Wide Financial Statements
	Governmental Activities
9/30/24 net position previously reported	$ 855,420
Error correction	52,399
9/30/24 net position as restated and adjusted	$ 907,819

Required Supplementary Information

Argyle Fire District
Schedule of Revenues, Expenditures, and Change in Fund Balance
Budget and Actual – General Fund

	Original Budget	Final Budget	Actual	Variances Positive (Negative) Original to Final Budget	Variances Positive (Negative) Final Budget to Actual
Revenues					
Property taxes	$ 187,270	$ 187,270	$ 186,034	$ (1,236)	$ (1,236)
Grants and contributions	209,189	209,189	135,788	(73,401)	(73,401)
Impact fees	-	-	2,700	2,700	2,700
Interest income	-	-	11	11	11
Miscellaneous	500	500	-	(500)	(500)
Proceeds from disposal of assets	-	-	52,577	52,577	52,577
Total revenues	396,959	396,959	377,110	(19,849)	(19,849)
Expenditures					
Category					
Fire protection					
Administrative	80,000	80,000	32,577	47,423	47,423
Operating expenditures	437,500	417,500	250,372	187,128	167,128
Capital improvement	75,000	95,000	254,555	(179,555)	(159,555)
Debt service	-	-	35,810	(35,810)	(35,810)
Total expenditures	592,500	592,500	573,314	19,186	19,186
Excess of revenues over expenditures	(195,541)	(195,541)	(196,204)	(39,035)	(39,035)
Other Financing Sources					
Loan proceeds	-	-	176,254	176,254	176,254
Total other financing sources	-	-	176,254	176,254	176,254
Net change in fund balance	(195,541)	(195,541)	(19,950)	137,219	137,219
Fund balance, beginning of year after adjustments	338,622	338,622	338,622	-	-
Fund balance, end of year	$ 143,081	$ 143,081	$ 318,672	$ 137,219	$ 137,219

See Independent Auditors' Report.

Compliance Section

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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 the Board of Fire Commissioners
Argyle Fire District
Argyle, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund Argyle Fire District (District) as of and for the year ended September 30, 2025, and the related notes to basic financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated June 30, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal that we consider to be material weaknesses.

We consider the deficiencies described below to be material weaknesses:

2025-001 – Adjustments to Financial Statements

Condition: Adjustments to the financial records had to be proposed by the auditors in order for the financial statements to conform to generally accepted accounting principles (GAAP).

Effect: Financial statements are not in conformity with GAAP prior to adjustment.

Cause: Management relies on auditors to propose entries based on audit procedures.

Criteria: The requirement is for the District to be able to prepare financial statements in accordance with GAAP.

Recommendation: While we realize it would not be financially feasible to implement procedures necessary to eliminate all proposed adjustments, we recommend striving to reduce the number of adjustments needed as much as possible.

Views of responsible officials and planned corrective action: We realize that ideally our internal control system should be designed in a manner that ensures the accuracy of the financial statements and that the auditors should not have to recommend journal entries to see that they conform to generally accepted accounting principles. We will continue to try to improve our internal control systems to reduce the number of adjustments proposed by our auditors each year.

2025-002 – Recording of Revenue and Expenses

Condition: Adjustments to the financial records had to be proposed by the auditors in order for the financial statements to conform to generally accepted accounting principles (GAAP) because revenue is not recorded until the cash is received and expenses are not recorded until the bill is paid.

Effect: Financial statements are not in conformity with GAAP prior to adjustment.

Cause: Management relies on auditors to propose entries based on audit procedures.

Criteria: The requirement is for the District to be able to prepare financial statements in accordance with GAAP.

Recommendation: We recommend recording revenue in the period it is earned and expenses in the period the goods or services are received.

Views of responsible officials and planned corrective action: We will take steps to record revenue and expenses in the period in which they are incurred.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

District's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's responses to the findings identified. The District's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC
Panama City Beach, Florida
June 30, 2026

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INDEPENDENT AUDITOR'S MANAGEMENT LETTER

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

Report on the Financial Statements

We have audited the financial statements of the Argyle Fire District (District), as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated June 30, 2026.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditors' 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* and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 30, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, require 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. That information is disclosed in the notes to the financial statements.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the District met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific conditions met. In connection with our audit, we determined that the District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the District. It is management's responsibility to monitor the District's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

As required by Section 10.554(1)(i)6.a., Rules of the Auditor General, a statement as to whether a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, operated within the District's geographical boundaries during the fiscal year under audit is required. A PACE program did not operate within the District's geographical boundaries during the fiscal year under audit.

Special District Component Units

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

Specific Information for an Independent 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 District reported:

a) The total number of district employees compensated in the last pay period of the District's fiscal year as zero.
b) The total number of independent contractors to whom nonemployee compensation was paid in the last month of the District's fiscal year as three.
c) All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as $0.
d) All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as $47,776.
e) Each construction project with a total cost of at least $65,000 approved by the District that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as $0.

f) A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the District amends a final adopted budget under Section 189.016(6), Florida Statutes, as $0.

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)9., 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 four residential trailers/townhouses/apartments, and $30.00 for each additional unit. $200.00 per dwelling on businesses under 5,000 square feet. $300.00 for business dwellings over 5,000 square feet, with a $300.00 addition per 5,000 square feet.
b) The total amount of special assessments collected by or on behalf of the District as $186,034.
c) The total amount of outstanding bonds issued by the district and the terms of such bonds as none.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, federal, state and other granting agencies, the Board of Fire Commissioners, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC
Panama City Beach, Florida
June 30, 2026

ARGYLE FIRE DISTRICT
67 Fire Department Avenue
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(850) 892-4703 FAX

Corrective Action Plan

September 30, 2025

2025-001 Finding 1

Planned Corrective Action: We realize that ideally our internal control system should be designed in a manner that ensures the accuracy of the financial statements and that the auditors should not have to recommend journal entries to see that they conform to generally accepted accounting principles. We will continue to try to improve our internal control systems to reduce the number of adjustments proposed by our auditors each year.

Anticipated Completion Date: September 30, 2026

Responsible Contact Person: Steve Richardson

2025-002 Finding 2

Planned Corrective Action: We will take steps to record revenue and expenses in the period in which they are incurred.

Anticipated Completion Date: September 30, 2026

Responsible Contact Person: Steve Richardson

Steven D. Richardson

Steven Richardson

Date: June 29, 2026

Chairman

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INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH LOCAL GOVERNMENT INVESTMENT POLICIES

Board of Fire Commissioners
Argyle Fire District

We have examined Argyle Fire District's compliance with requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies,* during the year ended September 30, 2025. Management of Argyle Fire District is responsible for Argyle Fire District's compliance with the specified requirements. Our responsibility is to express an opinion on Argyle Fire District's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the AICPA. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether Argyle Fire District complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether Argyle Fire District complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

Our examination does not provide a legal determination on Argyle Fire District's compliance with specified requirements.

In our opinion, Argyle Fire District complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies,* during the year ended September 30, 2025.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC
Panama City Beach, Florida
August 28, 2026