

**Holt Fire District
Financial Statements
September 30, 2021**

Holt Fire District

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Holt Fire District
PO Box 226
Holt, FL 32564

We have audited the accompanying financial statements of the governmental activities and the major fund of the Holt Fire District (hereafter referred to as the "District"), as of and for the year ended September 30, 2021, and the related notes to the financial statements which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the

circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of Holt Fire District as of September 30, 2021, 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.

Other Matters

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 on pages 4 through 9 and page 12 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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 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 29, 2022 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, and grant agreements and other matters. The purpose of that report is to describe the scope of our 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 or on

compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Holt Fire District's internal control over financial reporting and compliance.

Steven M. Paul, CPA, P.A.

Crestview, FL
June 29, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Holt Fire District (the District) we offer readers of Holt Fire District's financial statements this narrative overview and analysis of financial activities of the District for the fiscal year ended September 30, 2021.

FINANCIAL HIGHLIGHTS

- At the conclusion of fiscal year 2021, the District's assets exceeded its liabilities resulting in a net position of \$226,151.
- The District's net position increased by \$67,382.
- The District had \$46,476 of unrestricted assets at the end of the fiscal year that can be used to meet ongoing obligations.
- The District's governmental funds reported ending fund balance of \$85,403, an increase of \$2,458.
- At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$38,150 or 21% of the total 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, and 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 like a private-sector business.

The Statement of Net Position presents information on all 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 District'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 property assessments. The governmental activities of the District include public safety (fire and emergency medical services), and debt service. The government wide financial statements are found on pages 10-11 of this report.

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.

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. Found on pages 10-11 of this report are the basic governmental fund financial statements.

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.

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 13 of this report are the notes to the financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities \$226,151 (net position) as of September 30, 2021, as reported below.

The largest portion of the District's net position of \$140,748 reflects its investment in capital assets (e.g., land, buildings, machinery and equipment) 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.

The following statements are presented as of and for the years ended September 30, 2021 and 2020:

Condensed Summary of Net Position - Primary Government
Summary of Net Position
September 30, 2021 and 2020

	2021	2020
ASSETS		
Current and other assets	\$ 87,994	\$ 88,440
Capital assets	140,748	75,824
Total Assets	\$ 228,742	\$ 164,264
LIABILITIES		
Current liabilities	\$ 2,591	\$ 5,495
Total Liabilities	2,591	5,495
NET POSITION		
Investment in capital assets, net of related debt	140,748	75,824
Restricted for capital additions	38,927	32,121
Unrestricted	46,476	50,824
Total Net Position	226,151	158,769
Total Liabilities and Net Position	\$ 228,742	\$ 164,264

**Summary of Revenues, Expenses and Changes in Net Position
For the Fiscal Years Ending
September 30, 2021 and 2020**

	2021	2020
REVENUES		
<i>Program Revenues</i>		
Property assessments	\$ 107,197	\$ 101,012
Impact fees	8,165	8,426
Grants -state	6,442	2,502
Grants - local	20,000	-
Miscellaneous income	15,218	17,553
Proceeds from sale of assets	980	
Donated vehicles	28,000	
Insurance recoveries	-	25,360
Interest revenue	100	1,171
Total Revenues	<u>186,102</u>	<u>156,024</u>
EXPENSES		
Fire Protection	<u>118,720</u>	<u>146,331</u>
Total Expenses	<u>118,720</u>	<u>146,331</u>
Excess of revenues over expenditures	67,382	9,693
Special & Extraordinary items		
Loss on impairment of property	<u>-</u>	<u>(79,541)</u>
Net change in fund balance/net position	<u>67,382</u>	<u>(69,848)</u>
Fund balance/net position		
Beginning of the year	<u>158,769</u>	<u>228,617</u>
End of the year	<u><u>\$ 226,151</u></u>	<u><u>\$ 158,769</u></u>

During 2021, the change in net position was an increase of \$67,382. This increase was the result of an increase in property assessments and grants received by the District. As of September 30, 2021, the excess of revenues over expenditures was an increase of \$57,689 from the prior year, primarily due to an increase in property assessments.

GENERAL FUND BUDGETARY HIGHLIGHTS

The budget versus actual comparison is reported in the required supplementary information other than management discussion and analysis. For the fiscal year ended September 30, 2021, the District did adopt a budget in the amount of \$110,000 in compliance with Florida Statutes.

The District's actual revenues exceeded budgeted revenues by \$76,102. The favorable variance was primarily due to an increase in property assessments and grants.

The District's actual expenses exceeded budgeted expenses by \$73,644. This unfavorable variance was primarily due to donated vehicles and capital outlay purchases.

Overall, the general fund had a favorable variance in excess revenues over expenses when compared to budgeted amounts of \$2,458.

CAPITAL ASSETS

The District's capital assets for its governmental activities as of September 30, 2021, amount to \$140,748 (net of accumulated depreciation). Capital assets include land, leasehold improvements, machinery and equipment, etc. The District had capital asset additions of \$69,066, and disposals of \$21,063. The fire station located at 490 Highway 90W was condemned for occupancy in March 2020 and cannot be remediated. In July 2020, the District was awarded a grant in the amount of \$813,000 by the State of Florida, Department of Financial Services to build a new fire station. The District is renting a location until a new fire station can be built.

Summary of Capital Assets For the Fiscal Years Ending September 30, 2021 and 2020

	2021	2020
CAPITAL ASSETS		
Land	\$ 73,322	\$ 73,322
Construction in progress	7,068	2,502
Total capital assets not depreciated	<u>80,390</u>	<u>75,824</u>
Buildings, improvements, equipment, vehicles and trucks	<u>322,718</u>	<u>279,281</u>
Total capital assets being depreciated	<u>322,718</u>	<u>279,281</u>
Accumulated depreciation		
Buildings, improvements, equipment, vehicles and trucks	<u>(262,360)</u>	<u>(279,281)</u>
Capital assets net of depreciation	<u>60,358</u>	<u>0</u>
Total Capital Assets	<u><u>\$ 140,748</u></u>	<u><u>\$ 75,824</u></u>

DEBT ADMINISTRATION

The District paid its debt in full during 2017.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The District relies on the fire assessments (non-ad valorem taxes) and a limited array of permitted other sources (such as impact fees and charges for services) for their governmental activities. There are a limited number of recurring and non-recurring grants from both state and federal government, which provide funding for specific programs, projects, or activities. Florida's continued economic uncertainty and the rise in fuel and equipment costs 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 Jim Connors, Chairman, Holt Fire District, PO Box 226, Holt, Florida 32564.

Holt Fire District
Governmental Fund Balance Sheet and Statement of Net Position
September 30, 2021

	General Fund	Adjustments (Note 2)	Statement of Net Position
ASSETS			
Cash and cash equivalents	\$ 39,741	\$ -	\$ 39,741
Prepaid expenses	8,326	-	8,326
Restricted cash	38,927	-	38,927
Refundable deposit	1,000		1,000
Capital assets, net	-	140,748	140,748
Total assets	\$ 87,994	140,748	\$ 228,742
 LIABILITIES			
Accounts payable	\$ 2,591	-	\$ 2,591
Total liabilities	2,591	-	2,591
 Fund balance/net position			
Nonspendable	8,326	(8,326)	-
Restricted for capital additions	38,927	(38,927)	-
Unassigned	38,150	(38,150)	-
Total fund balance	85,403	(85,403)	-
Total liabilities and fund balance	\$ 87,994		
 Net position			
Investment in capital assets, net of related debt		140,748	140,748
Restricted for capital additions		38,927	38,927
Unrestricted		46,476	46,476
Total net position		\$ 226,151	\$ 226,151

See accompanying notes to financial statements

Holt Fire District
Governmental Fund Revenues, Expenditures and
Changes in Fund Balance and Statement of Activities
For the Year Ended September 30, 2021

	<u>General Fund</u>	<u>Adjustments (Note 2)</u>	<u>Statement of Activities</u>
Revenues			
Property assessments	\$ 107,197	\$ -	\$ 107,197
Impact fees	8,165	-	8,165
Grants - state	6,442	-	6,442
Grant - local	20,000	-	20,000
Miscellaneous	15,218	-	15,218
Proceeds from sale /gain on disposal	980	-	980
Donated vehicles (Note 9)	28,000	-	28,000
Interest revenue	100	-	100
Total revenues	<u>186,102</u>	<u>-</u>	<u>186,102</u>
Expenditures/expenses			
Public Safety			
Current			
Fire protection	114,578	-	114,578
Depreciation	-	4,142	4,142
Capital outlay	69,066	(69,066)	-
Total expenditures/expenses	<u>183,644</u>	<u>(64,924)</u>	<u>118,720</u>
Net change in fund balance/net position	<u>2,458</u>	<u>64,924</u>	<u>67,382</u>
Fund balance/net position			
Beginning of the year	82,945	75,824	158,769
End of the year	<u>\$ 85,403</u>	<u>\$ 140,748</u>	<u>\$ 226,151</u>

See accompanying notes to financial statements

Holt Fire District
General Fund Statement of Revenues, Expenditures - Budget and Actual
For the Year Ended September 30, 2021

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Property assessments		\$ 107,197	
Impact fees		8,165	
Grants - state		6,442	
Grant - local		20,000	
Miscellaneous		15,218	
Proceeds from sale		980	
Donated vehicles (Note 9)		28,000	
Interest revenue		100	
Total revenues	<u>\$ 110,000</u>	<u>186,102</u>	<u>\$ 76,102</u>
EXPENDITURES			
Current			
Fire protection		114,578	
Capital outlay		69,066	
Total expenditures	<u>\$ 110,000</u>	<u>183,644</u>	<u>(73,644)</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ 2,458</u>	<u>\$ 2,458</u>

See accompanying notes to financial statements

Holt Fire District
Notes to Financial Statements
September 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of operations

Holt Fire District (the District) is an independent special district originally established by Ordinance 84-38 by the Okaloosa County Board of Commissioners on December 18, 1984. On June 19 2007, House Bill No. 979 Chapter 2007-284 established the District as an independent special district pursuant to Chapter 191, Florida Statutes. The District was created for the purpose of providing fire control and protection services within the territorial bounds of the District as defined by the State of Florida. The District operates one fire house and its related equipment and has only volunteer workers. The District is governed by an elected five-member Board of Commissioners serving four-year terms.

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 218.33, Florida Statutes. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting. The District's purpose is to protect lives, property and nature resources through fire suppression, fire inspection, rescue and emergency medical response.

Basis of presentation

The District's financial statements are prepared in accordance with U.S. Generally Accepted Accounting Principles (GAAP) as applicable to state and local governments with those promulgated by Governmental Accounting Standards Board (GASB).

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. Certain significant changes in the Statement include the following:

- A Management Discussion and Analysis (MD&A) section providing an analysis of the District's overall financial position and results of operations.

Holt Fire District
Notes to Financial Statements
September 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of presentation (continued)

- Financial statements prepared using full accrual accounting for all the District's activities.

These and other changes are reflected in the accompanying financial statements (including notes to financial statements). The District has elected to implement all the provisions of the Statement.

As required by accounting principles generally accepted in the United States of America, these financial statements present Holt Fire 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. Management utilized criteria set forth in GASB No.61 for determining financial accountability of potential component units in evaluating all potential component units.

In accordance with GASB No. 61, the District (primary government) is financially accountable if a financial benefit or burden relationships exists between the potential component unit and the District. As of September 30, 2021, the Holt Fire District had no component units, as defined by GASB No. 61.

Measurement focus and basis of accounting

Governmental funds are used to account for the District's general government activities. The district has one fund, the General Fund, which is its operating fund and is included in the preparation of the government-wide financial statements and its fund financial statements.

The District's basic financial statements are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements

Government-wide financial statements

Government-wide financial statements display information about the District as a whole. Government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are

Holt Fire District
Notes to Financial Statements
September 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-wide financial statements (continued)

recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of the related cash flows.

Property assessments are recognized in the year for which they are levied. Revenues from grants and donations are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been satisfied. Revenues from charges for services are recognized in the fiscal year the services were provided.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as expenditures. Proceeds of long-term debt are recorded as liabilities in the government-wide financial statements, rather than as other financial sources. Amounts paid to reduce long-term indebtedness of the reporting government are reported as reductions of the related liabilities, rather than as expenditures.

Fund financial statements

Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Current financial resources measurement focus generally means that only current assets and current liabilities are included in the balance sheet. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are “measurable and available”). “Measurable” means the amount of the transaction is known or can be reasonably estimated. “Available” means collectible within the current period or within 60 days after year end.

Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred, as under accrual accounting. The exception to this general rule is that principal and interest on general obligation long-term debt is recorded only when payment is made.

The focus of the governmental funds’ measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses and balances of financial resources) rather than upon net income. The following is a description of the governmental fund of the District:

General Fund – The general fund is the general operating fund of the District. It is used to account for all financial resources.

Holt Fire District
Notes to Financial Statements
September 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and cash equivalents, deposits and investments

The District's demand deposits and short-term investments are considered cash and cash equivalents. For purposes of these statements, all high liquid investments with a maturity of three months or less when purchased are considered cash equivalents. The District has no cash equivalents as of September 30, 2021.

Special Districts must maintain 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 depository, the state treasurer will pay public depositors all losses. Losses in excess of insurance and collateral will be paid through assessments between all Qualified Public Depositories. Under this method, all the District's deposits are fully insured or collateralized at the highest level of security. As of September 30, 2021, \$62,802 of the District's deposits were on deposit with a "Qualified Public Depository as required. The District's fundraising bank account is not required to be held in public funds.

The District does not have a formal written investment policy but has adopted the investment policy as defined in Florida Statute Section 218.415, which requires the investment of surplus public funds and prescribes the instruments in which those investments are authorized which consist of:

- The Local Government Surplus Funds Trust Fund or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1969.
- Securities and Exchange Commission registered money market funds with the highest credit rating from a nationally recognized rating agency.
- Interest bearing time deposits or savings account in qualified public depositories.
- Direct obligations of the U.S. Treasury.

As of September 30, 2021, the District did not have any investments.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Holt Fire District
Notes to Financial Statements
September 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital assets which include property, improvements and equipment, are reported in the government wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of \$5,000 or more and an estimated useful life of longer than one year. Capital assets are reported at historical costs or estimated historical cost when no historical costs records are available. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings and improvements	20-40 years
Improvements other than buildings	10-40 years
Furniture and fixtures	5-10 years
Vehicles and equipment	3-15 years

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for *deferred outflows of resources*. The separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense) until then. The District has no deferred outflows of resources as of September 30, 2021.

In addition to liabilities, the Statement of Net Position will sometimes report a section of *deferred inflows of resources*. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The District has no deferred inflows of resources as of September 30, 2021.

Government-mandated and voluntary nonexchange transactions

In July 2020, The District was awarded a State of Florida, Department of Financial Services Grant and Aid to Local Government and Nonstate Entities - Fixed Capital Outlay to build a new fire station (see note 8).

In accordance with GASB Statement 33, *Accounting and Financial Reporting for Nonexchange transactions*, the District (recipient) recognizes assets when all applicable eligibility requirements are met or resources are received, whichever is first on its government-wide financial statements.

Holt Fire District
Notes to Financial Statements
September 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-mandated and voluntary nonexchange transactions (continued)

Eligibility requirements are established by the provider and may stipulate the qualifying characteristics of recipients, time requirements, allowable costs, and other contingencies. The District also recognizes revenues and expenses/expenditures when all applicable eligibility requirements are met on the government-wide financial statements. On its fund financial statements, the District recognizes revenues when all applicable eligibility requirements are met and the resources are available.

Long-term obligations

In the government-wide financial statement any long-term debt and other long-term obligations are reported as governmental activities in the statement of net position.

Revenues

The revenues susceptible to accrual are property assessments and charges for services. Current year property assessments uncollected at the end of the fiscal year are generally immaterial in amount and highly susceptible to being uncollectable and are not recorded as a receivable on the balance sheet.

The District levies assessments on residential, commercial properties and vacant land located within its boundaries. These assessments (non-ad valorem taxes) are billed and collected through the Okaloosa County Tax Collector's Office in accordance with the laws of the State of Florida. The assessments are payable when levied. The following is the current calendar for collection of the taxes:

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

Discounts are available for each month taxes are paid through February 28th.

Holt Fire District
Notes to Financial Statements
September 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenues (continued)

Revenue recognition criteria for property taxes under GASB require that taxes expected to be collected within sixty days of the current period be accrued. No accrual has been made for 2021 property assessments because the non-ad valorem taxes are not legally due until after the end of the fiscal year. Current year taxes, 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 on the financial statement date.

During the 2021 fiscal year, the District continued its fundraising efforts to purchase fire gear and equipment for its volunteer firefighters. As of September 30, 2021, the District's miscellaneous income includes fundraising revenue of \$14,142. The District spent \$13,119 to purchase supplies for the fundraising which resulted in a net revenue of \$1,023 for the District's fundraising activities.

Budgets

The District prepares an annual operating budget for the fiscal year commencing October 1. 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. The District did not amend the budget for the fiscal year ending September 30, 2021.

Encumbrances

Encumbrances represents commitments 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 reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year. For the year ended September 30, 2021, the District had no encumbrances.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the U.S. requires management to make estimates and assumptions that affect the

Holt Fire District
Notes to Financial Statements
September 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimates (continued)

reported amounts of assets, liabilities, the disclosure of contingent assets and liabilities at the date of the financial statement and reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Fund Balance

The District has implemented GASB Statement 54, “Fund Balance Reporting and Governmental Fund Type Definitions”. This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

Non-spendable – This category includes the resources that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The balance as of September 30, 2021 of \$8,326 is from prepaid expenditures which are not in spendable form.

Restricted – This category includes resources restricted by creditors, grantors, contributors, laws or regulations of other governments, constitutional provisions, or enabling legislation. The District’s impact fees are considered restricted funds and the balance as of September 30, 2021 is \$38,927.

Committed – This category includes resources that can only be used for specific purposes pursuant to constraints imposed by formal action of the highest level of decision-making authority which is the Board of Commissioners. To be reported as committed, amounts cannot be used for any other purpose unless the Board of Commissioners takes the same highest-level action to remove or change the constraint. There are no committed funds as of September 30, 2021.

Assigned – This category includes resources that are intended to be used for specific purposes but is neither restricted nor committed. These are resources that have been set aside for a specific purpose by an authorized governmental body or official. There are no assigned funds as of September 30, 2021.

Unassigned – This category is the residual classification for the District’s fund balance that are available for any purpose. The balance as of September 30, 2021 is \$38,150.

Holt Fire District
Notes to Financial Statements
September 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance (continued)

The District does not have a formal fund balance policy; however, fund balance is generally depleted in the order of restricted, committed, assigned, and unassigned.

Net Position

When both restricted and unrestricted sources are available for use, it is the District's policy to use restricted resources first and then unrestricted resources, as they are needed. However, the District did not utilize restricted resources during 2021 because it intends to use the funds to build a new fire station.

Subsequent Events

The Commissioners have evaluated subsequent events through June 29, 2022, which is the date the financial statements were available to be used.

Capital Leases

GASB Statement No. 87, Leases, issued in June 2017, increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of 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 lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this statement are effective for reporting periods beginning after June 15, 2021. The District did not have a capital lease as of September 30, 2021.

Holt Fire District
Notes to Financial Statements
September 30, 2021

NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The reconciliations of the Government-wide Financial Statements with the Governmental Fund Financial Statements are as follows:

Total fund balance for governmental fund	\$ 85,403
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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.	140,748
---	---------

Total net position of governmental activities	\$ 226,151
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Governmental Fund Revenues, Expenditures and Changes in Fund Balance and Statement of Activities

Net change in fund balance - governmental fund	\$ 2,458
--	----------

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

The general fund reports capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Expenditures for capital assets	69,066
Less: current year depreciation	(4,142)

Net change in net position of governmental activities	\$ 67,382
---	-----------

Holt Fire District
Notes to Financial Statements
September 30, 2021

NOTE- 3 - CASH

As of September 30, 2021 the bank value of the District's deposits was \$78,637.

NOTE 4 – CHANGES IN CAPITAL ASSETS

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

	Balance 09/30/2020	Additions	Deletions	Balance 09/30/2021
Governmental Activities:				
Capital Assets not being depreciated				
Land	\$ 73,322	\$ -	\$ -	\$ 73,322
Construction in progress	2,502	4,566	-	7,068
Total capital assets not being depreciated	75,824	4,566	-	80,390
Capital Assets being depreciated:				
Leasehold improvements	-	18,100	-	18,100
Furniture and equipment	73,049	21,400	(20,063)	74,386
Vehicles and trucks	206,232	25,000	(1,000)	230,232
Total capital assets being depreciated	279,281	64,500	(21,063)	322,718
Less accumulated depreciation	(279,281)	(4,142)	21,063	(262,360)
Total Capital Assets being depreciated, net	-	60,358	-	60,358
Governmental activities capital assets, net	\$ 75,824	\$ 64,924	\$ -	\$ 140,748

Depreciation expense of \$4,142 was charged in the Statement of Activities.

NOTE 5 - 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 volunteers; and natural disasters. The District purchases insurance through commercial carriers and also participates in the Florida Municipal Insurance Trust (for workers' compensation insurance coverage). Coverage through these carriers includes automobile, general liability and surety (public official) bond coverage. The District believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded this commercial coverage in any of the past three years. There has been no significant reduction in insurance coverage from the prior year. Insurance coverage has been sufficient to cover all claims made in prior three fiscal years.

Holt Fire District
Notes to Financial Statements
September 30, 2021

NOTE 6 – COMMITMENTS

Cooperative Agreement

In 2014, the District entered into a 25-year cooperative agreement with Okaloosa County, Florida to authorize the construction and maintenance of a park facility, parking, a community building with an emergency generator and a flagpole on the south side of Highway 90 east of Summertime Drive in Holt.

The contract requires the District to:

- Dedicate real property for public use for the term of the agreement as a public recreational area available to the public for recreational and community purposes
- To notify the County when activities such as training exercises will be conducted
- To not convert all or any of the project site or project facilities to other purposes
- Agrees to not charge fees for use of the recreational facility, unless agreed in writing by the County. If funds are approved, the funds received from use of the facility may only be used for improvements to the site
- To not restrict hours for usage that conflicts with county approved Ordinances or Agreements at the facility unless situations warrant such restrictions and are agreed to in writing by the County
- Retain a front portion of the property for future construction of a new Fire House

Interlocal Agreement

On March 1, 2021, the District entered into ten-year interlocal agreement with North Okaloosa Fire District to lease 1 bay at Station 83 for a fire engine and equipment storage in the amount of \$1 annually. As part of the agreement, the District agrees to provide on an automatic-aid basis a fire engine stored at Station 83 and certified personnel trained and authorized to conduct firefighting activities in the State of Florida. The District also agrees to participate in any Insurance Services Office, Inc, (ISO) inspections, audits or other inquiries. The agreement may be renewed annually as agreed by both parties. North Okaloosa Fire District also transferred title to a 1996 international pumper (see note 9).

Holt Fire District
Notes to Financial Statements
September 30, 2021

NOTE 7 – LEASES

In February 2021, the District’s fire station was condemned for occupancy. The District entered into a five-year lease agreement to rent a location at 483 Highway 90W in Holt, Florida. The future minimum lease payments under operating leases are as follows:

2022	\$12,000
2023	\$12,000
2024	\$12,000
2025	\$2,000

NOTE 8 – GRANTS

On July 1, 2020, the District was awarded an \$813,000 grant by the State of Florida Department of Financial Services Grants and Aids to Local Government and Nonstate Entities - Fixed Capital Outlay for the construction of a new fire station. The District must submit expenditures for approval and reimbursement as the project progresses. The District has begun the process to obtain bids to begin the construction project. As of September 30, 2021 the grant activity is as follows:

State of Florida Grant # FM541	Total Funds Awarded	Total Funds Expended	Remaing Funds
2020	\$ 813,000	\$ 2,052	\$ 810,948
2021	\$ -	\$ 4,566	\$ 806,382

In May 2021, the District received a grant from Okaloosa County from the CARES act for COVID-19 relief in the amount of \$20,000. The District used the funds to purchase new equipment.

In July 2021, the District receive a 50/50 grant from the State of Florida Department of Agriculture in the amount of \$1,876. The District purchased equipment with the grant.

Holt Fire District
Notes to Financial Statements
September 30, 2021

NOTE 9 – DONATED EQUIPMENT

During 2021, a local fire district donated a 1996 International Pumper valued at \$25,000 to the District. The Okaloosa County Sheriff's Department also donated a 2010 Ford Expedition valued at \$3,000.

NOTE 10 – BUDGET VARIANCES

For the year ended September 30, 2021, the District exceeded budgeted expenditures by \$73,644 because of capital asset purchases and repairs and maintenance.

NOTE 11 – COVID-19

During 2020 and 2021, the impact of COVID-19 on the District's operational and financial performance depended on certain developments, including the duration and spread of the outbreak, impact on our citizens, employees, vendors, and economical mitigation measures to be taken by federal and state government, all of which are uncertain and cannot be predicted. As of September 30, 2021, COVID-19 did not have a major impact on the District's financial condition or results of operations. In May 2021, the District received a \$20,000 grant as part of the CARES Act for Coronavirus Aid and Relief (see note 8).



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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 Commissioners
Holt Fire District
PO Box 226
Holt, FL 32564

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 of the Holt Fire District (hereinafter called the “District”), as of and for the year ended September 30, 2021, which collectively comprise the District’s basic financial statements and have issued our report thereon dated June 29, 2022.

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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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 have not been identified. However, as described in the schedule of findings and responses, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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 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. We consider the deficiencies described in the accompanying schedule of findings and responses (2021-01 and 2021-02) as items to be material weaknesses.

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. We consider the deficiencies described in the accompanying schedule of findings and responses (2021-03, 2021-04 and 2021-05) as significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Holt Fire District's financial statements are free of 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 two instances of noncompliance or other matter that are required to be reported under *Government Auditing Standards* as described in the accompanying schedule of findings and responses (2021-06).

District's Response to Findings

The District's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of the 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 entity's internal control or on compliance. This report is an integral part of the 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.



Crestview, FL
June 29, 2022



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Fax: (850) 689-4488

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

To the Board of Commissioners
Holt Fire District
PO Box 226
Holt, FL 32564

We have examined Holt Fire District's (hereafter referred to as "the District") compliance with Florida Statute 218.415 in regards to investments for the year ended September 30, 2021. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

Our 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 management's assertion about compliance with the specified requirements is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about whether management's assertion is fairly stated, in all material respects. The nature, timing, and extent of the procedures selected depend on our judgement, including as assessment of the risks of material misstatement of management's assertion, 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.

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

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

Dawn M. Paul, CPA, P.A.

Crestview, FL
June 29, 2022



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MANAGEMENT LETTER

To the Board of Commissioners
Holt Fire District
PO Box 226
Holt, FL 32564

Report on the Financial Statements

We have audited the financial statements of the Holt Fire District, Florida (hereinafter called the "District"), as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated June 29, 2022.

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 Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in those reports and schedule, which are dated June 29 2022, 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 annual financial audit report.

Tabulation of Uncorrected Audit Findings		
Current Year Finding #	2020 FY Finding #	2019 FY Finding #
2021-01	2020-01	2019-01
2021-02	2020-02	2019-02
2021-03	2020-03	2019-03
2021-04	2020-04	2019-04
2021-05	2020-05	2019-05

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. This information required is disclosed in the notes to the financial statements (see Note 1).

Financial Condition and Management

Section 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 Holt Fire District met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the Holt 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, we applied financial condition assessment procedures for the Holt Fire District. It is management's responsibility to monitor the Holt Fire 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 reported several deficiencies in internal control that we considered to be material weaknesses (see accompanying schedule of findings and responses 2021-01 and 2021-02).

Specific Information

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

- a) The total number of district employees compensated in the last pay period of the district's fiscal year as 0.

- b) The total number of independent contractors to whom nonemployee compensation was paid in the last month of the fiscal year as 0.
- 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 \$0.
- e) No construction projects with a total cost of at least \$65,000 approved by the district that are scheduled to begin on or after October 1 of the fiscal year being reported.
- f) No budget variances or amendments based on the budget adopted under section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported. However, see finding 2021-06 in the schedule of findings and responses for additional information.

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

- a) The rate of non-ad valorem special assessments imposed by the District as \$54.89 for residential property owners and \$82.46 for commercial property owners.
- b) The total amount of special assessments collected by or on behalf of the District as \$107,197.
- c) The District has issued no outstanding bonds.

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 and other granting agencies, the Board of Commissioners, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Thomas M. Paul, CPA, P.A.

Crestview, FL
June 29, 2022

Holt Fire District
SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended September 30, 2021

Current Year's (Prior Year) Findings

#2021-01 - (Prior Years 2020-01 and 2019-01) Financial Statement Preparation, Knowledge and Audit Adjustments
(Internal Control - Material Weakness)

Finding:

The District is required to prepare financial statements in accordance with generally accepted accounting principles which requires knowledge of the accounting principles affecting the entity, including financial statement disclosure requirements, the awareness of changes occurring in the accounting industry that could impact the entity's financial statements, and the knowledge of resources for researching accounting issues. Due to the size of the entity, the District has elected to rely on an external auditor to propose audit adjustments and prepare its annual financial statements in accordance with generally accepted accounting principles.

District's Response:

The District believes the cost in correcting the weakness outweighs the benefits derived from additional controls. The District understands its responsibility as management to review and approve the draft financial statements and audit adjustments.

#2021-02 (Prior Years 2020-02 and 2019-02) – Lack of segregation of duties
(Internal Control - Material Weakness)

Finding:

Because of the limited number of available personnel, it is not always possible to adequately segregate certain incompatible duties, so that no one employee has access to all phases of a transaction. Consequently, the possibility exists that unintentional or intentional errors or irregularities could exist and not be promptly detected. Our audit did not reveal any errors or irregularities resulting from this lack of segregation of employee duties and responsibilities.

District's Response:

The District believes the costs in correcting the weakness outweighs the benefits derived from additional controls.

Holt Fire District
SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended September 30, 2021

#2021-03 (Prior Years 2020-03 and 2019-03) – **Compliance with the District’s purchasing policy**
(Internal Control – Significant deficiency)

Finding:

The District does not have a formal written purchase policy but indicated that at a minimum it requires a source document (receipt) as proof of purchase which identifies the item purchased. The District also requires approval by the board of commissioners for all purchases \$500 of greater. During our testing, we identified multiple purchases that did not have a proper source document.

Recommendation:

We recommend that the District develop a formal written purchasing policy (to include debit card and credit card purchases) so that all purchasers are aware of the policy.

District’s Response:

The District will establish a written purchasing policy and ensure compliance with the policy.

#2021-04 (Prior Years 2020-04 and 2019-04) – **Improper Account Coding**
(Internal Control – Significant deficiency)

Finding:

During the testing we discovered that credit card payments were entered into the general ledger but the individual purchase transactions were not coded to the proper expense account. This creates an understatement of expenses and overstatement of liabilities.

Recommendation:

We recommend that the District enter credit card transactions individually and prepare a monthly reconciliation of the credit card statements.

District’s Response:

The District will enter credit card transactions individually and prepare reconciliations to the credit card statements in order to properly code credit card purchases.

Holt Fire District
SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended September 30, 2021

#2021-05 (Prior Years 2020-05 and 2019-05) – Timely completion of bank account reconciliations
(Internal Control – Significant deficiency)

Finding:

We made the District aware during previous audits that bank account reconciliations in the District's accounting system (QuickBooks) were not prepared on a timely basis. We did note that the District prepares a manual reconciliation for the cash activity that is reviewed during the regular monthly meetings. The District stated it would complete the reconciliations at a minimum on a quarterly basis. During our testing for the 2021 audit, we discovered that bank reconciliations in QuickBooks were not completed on a regular basis.

Recommendation:

We recommend that the District prepare bank reconciliations in QuickBooks on a regular basis.

District's Response:

The District will make sure that bank account reconciliations are prepared on a regular basis (at minimum quarterly) and that long outstanding items are identified and resolved before the end of the fiscal year.

#2021-06 – (Prior Year 2020-07) Non-compliance with Regulations – Actual expenditures exceed budgeted amounts
(Compliance)

Finding:

The District's actual expenditures exceeded the budgeted amounts by \$73,644 for the fiscal year ending September 30, 2021. Section 189.016(3) of the Florida Statutes requires expenditures incurred to be pursuant to the adopted budget.

Recommendation:

The District should only expend resources pursuant to the adopted budget or amend the budget at or near the end of the fiscal year in order to ensure all expenditures for the year have been approved and are included in the final approved budget.

District's Response:

The District will review its actual expenditures at or near the fiscal year end and amend the budget as needed to reflect the approved expenditures in the final approved budget.