

**ALMARANTE FIRE DISTRICT
ALMARANTE, FLORIDA
FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2025**

Vance CPA, LLC

Certified Public Accountant

219-B Avenue E

Apalachicola, FL 32320

Tel. (706) 442-3084 • ben@vancecpa.com

TABLE OF CONTENTS

INDEPENDENT AUDITOR'S REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	4
BASIC FINANCIAL STATEMENTS	10
Government-Wide Financial Statements	
Statement of Net Position	11
Statement of Activities	12
Fund Financial Statement	
Governmental Fund	
Balance Sheet	13
Reconciliation of Balance Sheet to the Statement of Net Position	14
Statement of Revenues, Expenditures and Changes in Fund Balance	15
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Statement of Activity	16
NOTES TO FINANCIAL STATEMENTS	17
REQUIRED SUPPLEMENTARY INFORMATION	28
Schedule of Revenues, Expenditures, and Changes in Fund Balance	
Budget to Actual - General Fund	29
COMPLIANCE SECTION	
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 <i>Government Auditing Standards</i>	31
Independent Auditors Report Management Letter	33
Independent Accountant's Report on an Examination of Compliance Requirements In Accordance with Chapter 10.550, <i>Rules of the Auditor General</i>	37
Schedule of prior year findings and responses	38

Vance CPA, LLC

Certified Public Accountant

219-B Avenue E

Apalachicola, FL 32320

Tel. (706) 442-3084 • ben@vancecpa.com

INDEPENDENT AUDITORS' REPORT

The Board Of Directors
Almarante Fire District
Laurel Hill, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Almarante Fire District in Almarante, Florida, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Almarante 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, the business-type activities, and each major fund of the Almarante Fire District as of September 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 the Almarante 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 opinions.

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 Almarante Fire District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that

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 we:

- Obtain an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Almarante Fire District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events considered in the aggregate that raise substantial doubt about the Almarante Fire District's ability to continue as a going concern for a reasonable period.

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.

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 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. Management has not presented the management's discussion and analysis of the General Fund Budgetary Comparison Schedule required by accounting principles generally accepted in the United States of America

Accounting principles generally accepted in the United States of America require that the schedules of changes in net pension liability and the employers' contributions information 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.

Management has omitted the management discussion and analysis and budgetary comparison information that accounting principles generally accepted in the United States of America required to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Apalachicola, Florida
January 8, 2026

Vance CPA LLC

Vance CPA LLC

**ALMARANTE FIRE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025**

As management of Almarante Fire District (the District), we offer readers of the financial Statements: This narrative overview and analysis of the District's financial activities for the fiscal year ended September 30, 2025.

FINANCIAL HIGHLIGHTS

Financial Highlights

- The assets of the District exceeded liabilities by \$422,944 and represent a change of \$34,764 from the prior year. Of this amount, \$369,403 represents investment in capital assets, \$4,644 is restricted for capital expansion projects, and \$48,897 is unrestricted and may be used to meet the District's ongoing obligations to citizens and creditors.
- The District's governmental fund reported an ending balance of \$53,541 and represents a change of \$17,860 from the prior year.
- At the end of the current fiscal year, the unassigned fund balance for the general fund was \$30,312 or 16% of the general fund expenditures.

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 comprise three components: 1. government- wide financial statements 2. fund financial statements 3. notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

**ALMARANTE FIRE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025**

The government-wide financial statements distinguish and demonstrate that, as a governmental activity, the District is principally supported by special assessments and intergovernmental revenues. The governmental activities of the District include public safety services (fire and emergency medical services). The government-wide financial statements are found on pages 11 - 12 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. The District has only a governmental fund.

FUNDS

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements. The basic governmental fund financial statements are found on pages 13-16 of this report.

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

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

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

**ALMARANTE FIRE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025**

NOTES TO THE FINANCIAL STATEMENTS

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve as a useful indicator of a government's financial position. In the case of the district, assets exceeded liabilities by \$388,180 (net position) as of September 30, 2025, as reported in Table 1.

The largest portion of the District's net position, \$422,944, reflects its investment in capital assets (\$369,403) 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.

	2025	2024
Current assets	\$ 56,121	\$ 39,301
Capital assets	499,767	509,122
Total assets	\$ 555,888	\$ 548,423
Current liabilities	30,959	29,878
Non-current liabilities	101,985	130,365
Total liabilities	132,944	160,243
Net Position:		
Invested in capital assets	369,403	352,499
Unrestricted	48,897	27,470
Restricted	4,644	8,211
Total net assets	422,944	388,180

A Condensed Summary of Revenues, Expenses, and Changes in Net Position is reported in Table 2.

**ALMARANTE FIRE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025**

	2025	2024
Special assessment	122,293	114,550
County reimbursement	3,894	-
Impact fees	12,272	9,144
Sale of capital assets	(25,417)	2,033
Insurance refunds	550	2,679
Insurance claims	455	8,988
Miscellaneous income	-	217
Grants	96,877	40,246
Total revenues	210,924	177,857
Operating expenses including depreciation	176,160	166,958
Change in net position	34,764	10,899
Net assets at beginning of year	388,180	377,281
Net assets at end of year	\$ 422,944	\$ 388,180

During 2025, the change in net position was an increase of \$34,764. This increase was the result of increased grants, tax collections, and impact fees. As of September 30, 2025, the excess of revenues over expenditures increased by \$23,865.

GENERAL FUND BUDGETARY HIGHLIGHTS

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

CAPITAL ASSETS

The District's investment in capital assets for its governmental activities as of September 30, 2025 amounts to \$499,767 (net of depreciation). Capital assets include land, buildings, equipment, and fire trucks.

**ALMARANTE FIRE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025**

Additions for the fiscal year amounted to \$100,229, and deletions for the fiscal year amounted to \$70,918. Additional information regarding capital assets can be found in the notes to the financial statements.

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 5,100	\$ 4,916	\$ -	\$ 10,016
Total capital assets, not being depreciated	<u>5,100</u>	<u>4,916</u>	<u>-</u>	<u>10,016</u>
Capital assets being depreciated:				
Buildings	126,518	-	-	126,518
Fire equipment	389,905	89,048	-	478,953
Fire trucks	707,107	6,265	(70,918)	642,454
Total capital assets being depreciated	<u>1,223,530</u>	<u>95,313</u>	<u>(70,918)</u>	<u>1,247,925</u>
Accumulated depreciation:				
Buildings	117,295	687	-	117,982
Fire equipment	244,179	35,917	-	280,096
Fire trucks	358,034	43,643	(41,581)	360,096
Total accumulated depreciation	<u>719,508</u>	<u>80,247</u>	<u>(41,581)</u>	<u>758,174</u>
Total capital assets being depreciated, net	<u>504,022</u>	<u>15,066</u>	<u>(29,337)</u>	<u>489,751</u>
Total governmental-type activities', capital assets, (net of accumulated depreciation)	<u>\$ 509,122</u>	<u>\$ 19,982</u>	<u>\$ (29,337)</u>	<u>\$ 499,767</u>

Depreciation expense included in the Statement of Activities was \$80,247.

**ALMARANTE FIRE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025
(CONTINUED)**

LEASES

The District had no leases to be reported under GASB 87.

DEBT

In fiscal year 2022 the District entered into a purchase agreement to purchase three fire trucks with a total financing cost of \$190,000. The agreement is financed at a rate of 3.494% and requires annual payments of \$22,585 over ten years. See notes for additional details.

ECONOMIC FACTORS AND NEXT YEARS BUDGETS AND RATES

The District relies on the fire assessments (non-ad valorem special assessments) 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 governments, which provide funding for specific programs, projects, or activities. Florida's continued economic uncertainty and rise in cost will continue to affect the District's operational funding.

REQUESTS FOR INFORMATION

This financial report is designed to provide the reader with an overview of the District. Questions regarding any information provided in this report should be directed to Scott Money Penny, Chairman, Almarante Fire District, 3710 Old California Rd, Laurel Hill, Florida 32567

BASIC FINANCIAL STATEMENTS

Almarante Fire District
Statement of Net Position

September 30, 2025

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 32,892
Restricted cash	4,644
Prepaid insurance	18,585
Capital assets, non-depreciable, net	10,016
Capital assets, depreciable, net	489,751
Total Assets	555,888
LIABILITIES	
Accounts payable and other current liabilities	2,580
Capital lease payable, current	18,379
Notes payable, current	10,000
Capital lease payable, non-current	101,985
Notes payable, non-current	-
Total Liabilities	132,944
NET POSITION	
Net investment in capital assets	369,403
Unrestricted	48,897
Restricted	4,644
Total Net Position	422,944

Almarante Fire District
Statement of Activities

Year ended September 30, 2025

	<u>Governmental Activities</u>
Expenditures	
Public safety - fire protection	(176,160)
Total expenditures	<u>(176,160)</u>
Program revenues	
Capital grants	<u>96,877</u>
General revenues	
Special assessment	122,293
County reimbursement	3,894
Impact fees	12,272
Sale of capital assets	(25,417)
Insurance refunds	550
Insurance claims	455
Miscellaneous income	-
Total general revenues	<u>114,047</u>
Total revenues	<u>210,924</u>
Change in net position	34,764
Net assets at beginning of year	<u>388,180</u>
Net assets at end of year	<u>\$ 422,944</u>

Almarante Fire District
Balance Sheet – Governmental Fund

September 30, 2025

	<u>General Fund</u>
ASSETS	
Cash and cash equivalents	\$ 32,892
Restricted cash	4,644
Prepaid insurance	18,585
Total Assets	<u>\$ 56,121</u>
LIABILITIES	
Accrued liabilities	2,580
Total Liabilities	<u>2,580</u>
FUND BALANCES	
Nonspendable	18,585
Unassigned	30,312
Restricted	4,644
Total Fund Balances	<u>53,541</u>
Total Liabilities and Fund Balances	<u>\$ 56,121</u>

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

September 30, 2025

Total Fund Balances, governmental fund balance sheet		\$ 53,541
Capital Assets, used in governmental activities, are not financial resources and therefore are not reported in the governmental funds balance sheet		
Capital assets, non-depreciable	10,016	
Capital assets, depreciable	<u>1,247,925</u>	
Total capital assets before depreciation	1,257,941	
Less accumulated depreciation	<u>(758,174)</u>	
Total capital assets net of depreciation		499,767
Noncurrent liabilities, used in governmental activities, are not financial resources and therefore are not reported in the governmental funds balance sheet		
Capital lease payable, current		(18,379)
Capital lease payable, non-current		(101,985)
Notes payable, current		(10,000)
Total net position per Statement of Net Position		<u>\$ 422,944</u>

Almarante Fire District

**Statement of Revenues, Expenditures, and Changes in
Fund Balances - Governmental Fund**

Year Ended September 30, 2025

	General Fund
REVENUES	
Taxes	\$ 122,293
County reimbursement	3,894
Impact fees	12,272
Insurance refunds	1,005
Sale of capital assets	(25,417)
Grants	96,877
Total Revenue	<u>210,924</u>
EXPENDITURES	
Public safety	95,913
Capital outlay	97,151
Total Expenditures	<u>193,064</u>
Excess (deficit) of revenues over (under) expenditures	<u>17,860</u>
Fund balances-beginning	<u>35,681</u>
Fund balances-ending	<u><u>\$ 53,541</u></u>

Almarante Fire District

Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities for

Year Ended September 30, 2025

Change in net position of Statement of Activities

Net change in fund balances - governmental fund	17,860
Capital outlay, reported as expenditures in governmental fund, is shown as capital assets in Statement of Net Position	97,151
Depreciation expense on capital assets included in the Statement of Activities does not require the use of current financial resources; therefore it is not reported as an expenditure in the governmental fund	<u>(80,247)</u>
Change in net position of Statement of Activities	<u>\$ 34,764</u>

Almarane Fire District
Notes to Financial Statements

For the year ended September 30, 2025

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

Almarante Fire District (the District) is an independent special district originally established by Ordinance 88-50 of the Okaloosa County Board of County Commissioners on December 20, 1988. District as an independent special district subject to Chapter 191, Florida Statutes. The District was created for the purpose of providing fire control and protection services as well as rescue and emergency medical 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 218.3, Florida Statutes. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting.

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

The Reporting Entity

As required by accounting principles generally accepted in the United States of America, these financial statements present the District as the primary government. In evaluating the District as a reporting entity, management has considered all potential component units for which the District may or may not be financially accountable and, as such, be included within the District's financial statement. As of September 30, 2025, the District had no component units.

Government-Wide and Fund Financial Statements

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

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

Almarane Fire District
Notes to Financial Statements

For the year ended September 30, 2025

Measurement Focus and Basis of Accounting

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

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

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

The following is the current Property tax calendar:

Levy Date
Due Date
Delinquent Date

Revenue recognition criteria for property special assessments require that property special assessments expected to be collected within 30 days of the current period be accrued. No accrual has been made for 2025 fire special assessments because the special assessments are not legally due until subsequent to the end of the fiscal year. Current year special assessments, which are uncollected as of the end of the fiscal year, are generally immaterial in amount and highly susceptible to being uncollectable and therefore, are not recorded as a receivable at the balance sheet date.

Basis of Presentation

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

Almarante Fire District
Notes to Financial Statements

For the year ended September 30, 2025

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

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

Governmental

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

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

Assets, Liabilities, and Net Position or Fund Balance

Cash and Cash Equivalents

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

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

Deposits and Investments

The District maintains its deposits only with "Qualified Public Depositories" as defined in chapter 280, Florida Statutes. The provisions of this statute allow "Qualified Public Depositories" to participate in a multiple financial institution collateral pool to ensure the security for public deposits. All "Qualified Public Depositories" must be placed 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 more than any applicable deposit insurance. In the event of default by a qualified public institution, the state treasurer will pay public depositors all losses. Losses more than insurance and collateral will be paid through assessments among all "Qualified Public Depositories".

The District does not have a formal written investment policy, but has adopted the investment policy as defined in Section 218.415, Florida Statutes, which requires the investment of surplus public funds and prescribes certain allowable investments including the Local Government Surplus Funds Trust Fund, Securities and Exchange Commission registered money market funds with the highest credit quality rating from the nationally recognized rating agency, interest

Almarante Fire District
Notes to Financial Statements

For the year ended September 30, 2025

bearing time deposits or savings accounts in qualified public depositories or direct obligations of the U.S. Treasury. The District had no investments at September 30, 2025.

Prepaid Items

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

Capital Assets

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

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

<u>Assets</u>	<u>Years</u>
Buildings and improvements	20-40
Improvements other than buildings	10-40
Furniture and fixtures	5-10
Vehicles and equipment	3-15

Classification of Fund Balance

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

- *Nonspendable* - includes amounts that are (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example: prepaid items.
- *Restricted* - includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.

Almarante Fire District
Notes to Financial Statements

For the year ended September 30, 2025

- *Committed* - includes amounts that can only be used for specific purposes determined by a formal resolution of the District's highest level of decision-making authority, the Commission. Commitments may be changed or lifted only by the District taking the same formal resolution that imposed the constraint originally.
- *Assigned* - comprises amounts intended to be used by the District for specific purposes that are neither restricted nor committed. *Intent* can be expressed by (a) the Commission or (b) a body (for example: a budget or finance committee) or official to which the Commission has delegated the authority to assign amounts to be set for specific purposes.
- *Unassigned* - is the residual classification for the general fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose.

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

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

Net Position

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

Estimates

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

Almarante Fire District
Notes to Financial Statements

For the year ended September 30, 2025

Subsequent Events

The District has evaluated events and transactions that occurred between September 30, 2025 and January 8, 2026, which is the date the financial statements were available to be issued, for possible recognition or disclosure in the financial statements. There were no subsequent events that warranted additional disclosure.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets

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

Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is employed in governmental funds. Encumbrances outstanding at year-end are reported as assigned fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year. For the year ended September 30, 2025, the District had no encumbrance.

3. CASH DEPOSITS

At September 30, 2025 the value of the District's deposits was \$35,536, all of which were held by Qualified Public Depositories under Chapter 280, Florida Statutes.

4. CONTINGENCY

There are no known contingencies other than the risks of accident or injury. The District maintains liability insurance to cover risks of accident or injury.

Almarante Fire District
Notes to Financial Statements

For the year ended September 30, 2025

5. CHANGES IN CAPITAL ASSETS

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 5,100	\$ 4,916	\$ -	\$ 10,016
Total capital assets, not being depreciated	<u>5,100</u>	<u>4,916</u>	<u>-</u>	<u>10,016</u>
Capital assets being depreciated:				
Buildings	126,518	-	-	126,518
Fire equipment	389,905	89,048	-	478,953
Fire trucks	707,107	6,265	(70,918)	642,454
Total capital assets being depreciated	<u>1,223,530</u>	<u>95,313</u>	<u>(70,918)</u>	<u>1,247,925</u>
Accumulated depreciation:				
Buildings	117,295	687	-	117,982
Fire equipment	244,179	35,917	-	280,096
Fire trucks	358,034	43,643	(41,581)	360,096
Total accumulated depreciation	<u>719,508</u>	<u>80,247</u>	<u>(41,581)</u>	<u>758,174</u>
Total capital assets being depreciated, net	<u>504,022</u>	<u>15,066</u>	<u>(29,337)</u>	<u>489,751</u>
Total governmental-type activities', capital assets, (net of accumulated depreciation)	<u>\$ 509,122</u>	<u>\$ 19,982</u>	<u>\$ (29,337)</u>	<u>\$ 499,767</u>

Almarante Fire District
Notes to Financial Statements

For the year ended September 30, 2025

6. RISK MANAGEMENT

The District is exposed to various risks of loss related to tort, theft, damage to, and destruction of assets, errors, and omissions, injuries to volunteer firefighters, and natural disasters. The District purchases insurance through commercial carriers and participates in the Florida Municipal Insurance Trust (for workmen's compensation coverage). The District maintains minimal insurance deductibles for insurance policies from its carriers. There has been no significant reduction in insurance coverage from the prior fiscal year. Insurance coverage has been sufficient to cover all claims made in the past two years.

7. COMMITMENTS

Interlocal Agreement

On May 1, 2021, the District entered a 1-year renewable interlocal agreement with North Okaloosa Fire District to lease a single bay at Station 81 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 the fire engine stored at Station 81 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. The contract ended January 7, 2025. It was not renewed.

8. MISCELLANEOUS INCOME

The District did not receive any income that was classified as miscellaneous income. This income can be further described as donations and rebates.

9. IMPACT FEES

The District received \$12,272 in impact fees during the fiscal year 2025. The District's impact fee rates are residential .30 and commercial .40 per square foot.

10. ACCOUNTS RECEIVABLE

Due to the nature of the District's funding, it does not bill customers directly for assessments. Okaloosa County remits assessment payments received based on a schedule which uses November 1st as the levy date. Most payments are received November through April. Payments are considered delinquent after April 1st.

Almarante Fire District
Notes to Financial Statements

For the year ended September 30, 2025

11. GRANTS

The District did not receive any federal grant funding in fiscal year 2025.

The District was approved for four state grants in fiscal year 2025 as noted below

In December 2024 the District was approved for a \$56,899 non-matching grant to purchase equipment. As of September 30, 2025 the grant is closed.

Florida Department of Agriculture and Consumer Services

Grant approval amount	8,052
Grant revenues received	8,052
Expenditures	8,177
District funding required	(125)

In March 2025 the District was approved for a \$8,052 non-matching grant to purchase equipment. As of September 30, 2025 the grant is closed.

Florida Department of Agriculture and Consumer Services

Grant approval amount	3,084
Grant revenues received	3,084
Expenditures	6,266
District funding required	(3,182)

In July 2025 the District was approved for a \$3,084 non-matching grant for engine repairs. As of September 30, 2025 the grant is closed.

Florida Department of Agriculture and Consumer Services

Grant approval amount	10,253
Grant revenues received	10,253
Expenditures	20,823
District funding required	(10,570)

In September 2025, the District was approved for a \$10,253 non-matching grant to purchase equipment. As of September 30, 2025 the grant is closed.

Almarante Fire District
Notes to Financial Statements

For the year ended September 30, 2025

12. DEBT

In FY 2022, the Almarante Fire District purchased three trucks, listed below, in a capital lease/purchase agreement, financed by the Kansas State Bank. The current, and noncurrent, liability due to the Kansas State Bank is as follows at September 30, 2025

Current liability	\$18,379
Non-current liability	<u>\$101,985</u>
Total liability	<u>\$120,364</u>

The lease/purchase agreement provided funding for the purchase of the following trucks:

<u>Fire district truck description</u>	<u>Date Acquired</u>	<u>Cost</u>
Ford F150 XL Supercab 4X4 X1E	2/9/2022	\$28,920
Ford F150 XL Supercab 4X4 X1E	2/23/2022	\$28,920
Ford F550 4X4 Diesel Super Cab	9/30/2022	<u>\$132,160</u>
Total Financing cost of the purchase		<u>\$190,000</u>

The \$190,000 lease/purchase agreement requires ten annual payments of \$22,585, with the first annual payment of \$22,585 due on January 15, 2022.

The interest rate is 3.494%. The lease/purchase financing payment schedule is as follows:

Due Date	Contract Payment	Applied to Interest	Applied to Principal	Purchase Option Price
1/15/2026	22,585	4,206	18,379	101,986
1/15/2027	22,585	3,565	19,020	82,966
1/15/2028	22,585	2,899	19,686	63,280
1/15/2029	22,585	2,212	20,373	42,907
1/15/2030	22,585	1,500	21,085	21,822
1/15/2031	22,585	763	21,822	-
	<u>135,510</u>	<u>15,145</u>	<u>120,365</u>	

On October 12, 2023, the District purchased a fire truck from Hamden Volunteer Fire Department for \$40,500. The terms of the agreement required the District to pay \$22,000 upon purchase, with the remaining balance due within 24 months. The district paid 8,500 in fiscal year 2025 and will pay the remaining balance due of \$10,000 in fiscal year 2026. The total balance due as of September 30, 2025 was \$10,000.

Almarante Fire District
Notes to Financial Statements

For the year ended September 30, 2025

13. BUDGET VARIANCES

The District had no excess of expenditures over the final budget, no excess of revenue over final budget, and no deficit revenue over expenditures of for the year ending September 30, 2025.

REQUIRED SUPPLEMENTARY INFORMATION

Almarante Fire District

Schedule of Revenues, Expenditures, and Change in Fund Balance
Budget to Actual - General Fund

Fund year ended September 30, 2025

	Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Taxes	\$ 122,293	\$ 122,293	-
County reimbursement	3,894	3,894	-
Impact fees	12,272	12,272	-
Insurance refunds	1,005	1,005	-
Sale of capital assets	(25,417)	(25,417)	-
Grants	96,877	96,877	-
Total Revenue	210,924	210,924	-
EXPENDITURES			
Public safety	95,913	95,913	-
Capital outlay	97,151	97,151	-
Total Expenditures	193,064	193,064	-
Excess (deficit) of revenues over (under) expenditures	17,860	17,860	-
Fund balances-beginning	35,681	35,681	-
Fund balances-ending	\$ 53,541	\$ 53,541	-

COMPLIANCE SECTION

Vance CPA, LLC

Certified Public Accountant

219-B Avenue E

Apalachicola, FL 32320

Tel. (706) 442-3084 • ben@vancecpa.com

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To:

Board of Commissioners
Almarante Fire District,
Laurel Hill, Florida

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities of Almarante Fire District ("the District"), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued my report thereon dated January 8, 2026.

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 to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion 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 were not identified. We identified no certain deficiencies in internal control that we consider to be material weaknesses or 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 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Almarante Fire 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 determination of financial statement amounts. 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 instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that test, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. The report is an integral part of an audit performed in accordance with Government Audit Standards in considering the entity's internal control and compliance, and accordingly, this communication is not suitable for any other purpose.

Apalachicola, Florida
January 8, 2026

Vance CPA LLC

Vance CPA, LLC

Vance CPA, LLC

Certified Public Accountant

219-B Avenue E

Apalachicola, FL 32320

Tel. (706) 442-3084 • ben@vancecpa.com

To the Board of Commissioners
Almarante Fire District
Laurel Hill, Florida

Report on the Financial Statements

We have audited the financial statements of the Almarante Fire District ("the District"), as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated January 8, 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 Florida Auditor General*.

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, and Independent Accountants' report on an Examination of Compliance Requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Discloses in those reports, if any, which are dated January 8, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, require that we determine whether corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. See the schedule of prior year audit findings and responses.

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 the management letter, unless disclosed in the notes to the financial statements. The legal authority for the district is disclosed in Note 1 to the financial statements, There are no component units related to the district.

Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), *Rules of the Auditor General*, require that we apply appropriate procedures and communicate the results of my determination as to whether the Almarante Fire District has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with my audit, we determined that the Almarante 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 Almarante Fire District. It is management's responsibility to monitor the Almarante Fire District's financial condition, and my financial condition assessment was based in part on representations made by management and the review of financial information provided by the same. We performed this assessment as of the fiscal year end and I did not find any deteriorating conditions.

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

Property Assessed Clean Energy (PACE) Programs

As required by Section 10.554(1)(i)6.a., *Rules of the Auditor General*, the District did not operate within its geographical boundaries, a PACE Program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, during the fiscal year under audit.

Special District Component units

Section 10.544(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)©, Florida Statutes, and Section 10.554(1)(i)(6), *Rules of the Auditor General*, the Almarante Fire District reported:

- The total number of district employees compensated in the last pay period of the district fiscal year as 0.
- The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year as 0.
- All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as 0.
- All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$0.
- 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.
- 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, can be found on page 29.

Specific Information for an independents special district that imposes non-ad valorem special assessments

As required of Section 218.39(3)©, Florida Statutes, and Section 10.554(1)(i)7, *Rules of the Auditor General*, the Almarante Fire District reported:

- Annual rates of non-ad valorem special assessments imposed by the District for the audit year were \$116.20 on residence, \$164.15 per business, and \$0.59 per undeveloped acre.
- The total amount of special assessments collected by or on behalf of the district was \$122,293.
- The total amount of outstanding bonds issued by the district and terms of such bonds is 0. The district has no outstanding bonds.

The specific information reported in the previous paragraphs has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we do not express an opinion or provide any assurance on it.

Additional Matters

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

Purpose of this letter

My management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, and the Almarante Fire District management and board, and is not intended to be and should not be used by anyone other than these specified parties.

Apalachicola, Florida
January 8, 2026

Vance CPA LLC

Vance CPA LLC

Vance CPA, LLC

Certified Public Accountant

219-B Avenue E

Apalachicola, FL 32320

Tel. (706) 442-3084 • ben@vancecpa.com

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

To:

Board of Commissioners
Almarante Fire District
Laurel Hill, Florida

We have examined the Almarante Fire District's (the District) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2025.

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 my 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 the District complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the District complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risk of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

In our opinion, the Almarante Fire District did comply, in all material respects, with the aforementioned requirements for the year ended September 30, 2025.

Almarante, Florida
January 8, 2026

Vance CPA LLC

Vance CPA, LLC

Almarante Fire District
Schedule of Prior Year Findings

For the fiscal year ended September 30, 2025

Financial statement finding

<u>Finding Number</u>	<u>Finding Title</u>	<u>Status</u>
2024-01	Noncompliance with resolutions	Corrected
2024-02	Lack of General Ledger accounting system	Corrected