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MANAGEMENT LETTER – Revised 08/29/2022

To the Board of Directors
Liberty Fire District
Defuniak Springs, Florida

Report on the Financial Statements

I have audited the financial statements of the Liberty Fire District, as of and for the fiscal year ended September 30, 2021, and have issued my report thereon dated June 6, 2022.

Auditor's Responsibility

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

Other Reporting Requirements

I have issued my Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, regarding compliance requirements in accordance with Chapter 10.550 Rules of the Florida Auditor General. Disclosures in those reports and schedule, which are dated June 6, 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 I determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There was one finding in the 2020 financial audit report.

Audit Finding, 2020-01, Compliance with FL Section 218.415 (Public Depositor Annual Report and Public Deposit Identification and Acknowledgement Form)

The District could not provide evidence that the Public Depositor Annual Report had been filed by the November 30, 2020 due date. The District could not provide evidence that the Public Deposit Identification and Acknowledgement Forms were maintained on file.

Status of finding 2020-01: In my FY 2021 audit I obtained evidence that the district filed the appropriate forms and retained on file the required documentation. Finding 2020-01 is closed.

Other 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. Liberty Fire District has no component units.

Financial Condition

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, requires that I apply appropriate procedures and communicate the results of my determination as to whether or not the Liberty Fire District has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with my audit, I determined that the Liberty Fire District did meet all of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, I applied financial condition assessment procedures for the Liberty Fire District. It is management's responsibility to monitor the Liberty Fire District's financial condition, and my financial condition assessment was based in part on representations made by management and the review of financial information provided by same. I performed this assessment as of the fiscal year end and I did not find any deteriorating conditions.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that I communicate any recommendations to improve financial management. In connection with my audit of fiscal year 2021, I have no audit finding/recommendation.

Special District Component Units

Section 10.554(1)(i)5.d., Rules of the Auditor General, requires, if appropriate, that I communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with my audit, I did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes. Liberty Fire District is not a component unit and has no components.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the Liberty 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 district's fiscal year as 3.
- 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 \$11,879.
- e. Each construction project with a total cost of at least \$65,000 approved by the district that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as 0. No projects of at least \$65,000 occurred in FY 2021 and no such projects were scheduled to begin in FY 2021.
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes, as \$19,893. Liberty Fire District did not amend their budget during FY 2021. See page 27 of the audit report for the Budget Comparison Schedule.

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

Liberty Fire District does not impose ad valorem tax. No ad valorem taxes were imposed or collected in FY 2021. Liberty Fire District has not issued any bonds in FY 2021. Liberty Fire District has no outstanding bonds as of September 30, 2021.

- a. The mileage rate or rates imposed by the district as 0.
- b. The total amount of ad valorem taxes collected by or on behalf of the district as 0.
- c. The total amount of outstanding bonds issued by the district and the terms of such bonds as 0.

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

- a. The rates of non-ad valorem special assessments imposed by the District as \$75 for residential and commercial dwellings.
- b. The total amount of special assessments collected by or on behalf of the district as \$185,935.
- c. The total amount of outstanding bonds issued by the district and the terms of such bonds as 0.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires that 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 which warrants the attention of those charged with governance. In connection with my audit, I did not have any such findings.

Purpose of this letter

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

Edward Chapman
Certified Public Accountant

Springville, Alabama
August 29, 2022