

Jackson Soil & Water Conservation District

Annual Financial Report

September 30, 2022

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INDEPENDENT AUDITOR'S REPORT

GRIMSLEY & ASSOCIATES

Professional Association

Certified Public Accountants

MEMBER
FLORIDA INSTITUTE AND
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

OWEN W. GRIMSLEY, C.P.A.

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Jackson Soil & Water Conservation District
Marianna, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, and major fund of the Jackson Soil & Water Conservation District as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise Jackson Soil & Water Conservation 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, and major fund of the Jackson Soil & Water Conservation District, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Jackson Soil & Water Conservation District's basic financial statements as listed in the table of contents.

Basis of Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial Statements section of our report. We are required to be independent of the Jackson Soil & Water Conservation 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 Jackson Soil & Water Conservation District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Jackson Soil & Water Conservation 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 Jackson Soil & Water Conservation District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 5-11 and 31 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Jackson Soil & Water Conservation District's basic financial statements. The accompanying schedule of state financial assistance projects, as required Chapter 10.550, Rules of the Auditor General are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied to the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of state projects are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated June 19, 2023, on our consideration of Jackson Soil & Water Conservation 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 solely 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 effectiveness of Jackson Soil & Water Conservation District's 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 Jackson Soil & Water Conservation District's internal control over financial reporting and compliance.

Grimsley & Associates

Marianna, Florida
June 19, 2023

Grimsley & Associates, P.A.
Certified Public Accountants

MANAGEMENT DISCUSSION AND ANALYSIS

JACKSON SOIL AND WATER CONSERVATION DISTRICT MANAGEMENT DISCUSSION AND ANALYSIS

This discussion and analysis of the financial statements of the Jackson Soil and Water Conservation District an analytical overview of the District’s financial activities for the fiscal year ended on September 30, 2022. The basic financial statements are comprised of the government-wide financial statements, governmental fund financial statements, and notes. This will assist readers in identifying significant financial issues and changes in the District’s financial position.

The Florida Department of Agriculture and Consumer Services (FDACS) administers programs assigned to it by the Florida Legislature under the Soil and Water Conservation Law, Chapter 582 Florida Statutes. The Jackson Soil and Water Conservation District coordinates FDACS Best Management Plan implementation, cost share programs, mobile irrigation labs, and public land management.

The Jackson Soil and Water Conservation District was established on July 20, 1987 as an Independent Special District in accordance with the provisions of the Soil and Water Conservation Law, Chapter 582, Florida Statutes, enacted by the Florida Legislature in 1937. The District’s purpose is to aid private landowners, as well as local, state, and federal agencies in solving issues related to soil and water resources. The District is governed by a five-seat Board of Supervisors who are elected in the general elections of Jackson County.

“It is the policy of the Legislature to provide for control and prevention of soil erosion, and for the prevention of floodwater and sediment damages, and for furthering the conservation, development and utilization of soil and water resources, and the disposal of water, and thereby to preserve natural resources, control floods, prevent impairment of dams and reservoirs, assist in maintaining the navigability of rivers and harbors, preserve wildlife, protect the tax base, protect public lands, and protect and promote the health, safety and general welfare of the people of this state.”

The Jackson Soil and Water Conservation District currently administers five (5) FDACS contracts. Two (2) of these contracts, the RESTORE Projects are federal projects with Office of Energy and Office of Agricultural Water Policy and administered by FDACS.

Agricultural Water Quality and Quantity Best Management Practices and Projects Cost-Share Program:

- The objective of the cost-share program is to help improve and protect water resources in Florida by providing cost-share reimbursement to eligible agricultural producers for the implementation of water quality and quantity BMPs and projects.
- To achieve this objective, FDACS has contracted with the Jackson Soil and Water Conservation District to administer a cost-share program that will assist any special district, municipality, county, water management district, agency (governmental or otherwise) or owner or occupier of lands with the engineering, design, and conservation planning services, irrigation management, nutrient management, and water resource protection.

Conservation Technician / Best Management Practices Implementation Assistance:

- The objective in providing a technician for Jackson County increases Best Management Practices Implementation assistance within the Northwest Florida Water Management District area.
- To achieve this objective, FDACS has contracted with the Jackson Soil and Water Conservation District to employ and administer a technician who will work with producers on a regular basis through site visits, demonstrations, workshops, field days, and other education and technical assistance activities, to assist them in understanding and installing BMPs appropriately and in exploring new and evolving technologies.

Agricultural Mobile Irrigation Lab:

- The objective of the Agricultural Mobile Irrigation Lab is to increase BMPs for water conservation and water quality improvement.
- To achieve this objective, FDACS has contracted with the Jackson Soil and Water Conservation District to provide Mobile Irrigation Lab (MIL) technicians and services for irrigation water management of irrigation systems and to conduct evaluations and follow-up evaluations on irrigation systems to determine estimations of potential and actual water savings within Jackson County and surrounding counties.

Apalachicola Watershed Agricultural Water Quality Improvements Project (Office of Agricultural Water Policy):

- The objective of the Apalachicola Watershed Agricultural Water Quality Improvements Project is to complete participating farm enrollment in the program and implement the BMPs to reduce sediments and pollutants generated from agricultural operations in the focus area providing cost-share reimbursement to eligible agricultural producers in Jackson, Calhoun, Gulf, Gadsden, Liberty, and Franklin counties; with a primary focus in Jackson and Calhoun counties, for the implementation of water quality and quantity BMPs and projects.
- To achieve this objective, FDACS has contracted with the Jackson Soil and Water Conservation District to administer cost-share program for Landowners and/or Producers to implement Florida Department of Agriculture and Consumer Services (FDACS) and USDA Natural Resources Conservation Service (NRCS) water quality Best Management Practices (BMPs) which will assist any special district, municipality, county, water management district, agency (governmental or otherwise) or owner or occupier of lands with the engineering, design, and conservation planning services, irrigation management, nutrient management, and water resource protection as identified in the scope of work of the agreement.

Apalachicola Watershed Agricultural Water Quality Improvements Project (Office of Energy):

- The objective of the Apalachicola Watershed Agricultural Water Quality Improvements Project is to conduct on-site evaluations of the potential for energy efficiency, renewable energy upgrades and water saving measures and practices on individual farms and help protect water resources and reduce energy consumption by providing cost-share reimbursement to eligible agricultural producers in the Apalachicola River Watershed (Jackson, Calhoun, Gulf, Gadsden, Liberty and Franklin Counties) for the implementation of energy efficiency measures.
- To achieve this objective, FDACS has contracted with the Jackson Soil and Water Conservation District in order to procure and contract with one or more entities to provide on-site evaluations to eligible producers and initiate cost-share agreements to implement the energy efficiency measures identified in the on-site evaluation report. The Jackson Soil and Water Conservation District will provide program outreach and administrative services for this project, including the administration of the cost-share agreements with the producers.

Jackson Soil and Water Conservation District Highlights

- At the close of Fiscal Year 2022, the Jackson Soil and Water Conservation District's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources, resulting in a net position of \$386,849.
- The Jackson Soil and Water Conservation District's total net position increased \$106,091 in comparison to the previous year.
- The Jackson Soil and Water Conservation District had \$39,047 of unrestricted net position.
- Total operating revenues \$1,708,480 in comparison to the previous year \$2,471,049.
- Total operating expenditures \$1,602,694 in comparison to the previous year \$2,464,497

Government – wide Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the Jackson Soil and Water Conservation District excluding fiduciary activities. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes and general revenues, from business-type activities, generally financed in whole or in part with fees charged to external customers.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include operating grants and contributions, which finance annual operating activities including restricted investment income. These revenues are subject to externally imposed restrictions to those program uses. Taxes and other revenue sources not properly included with program revenues are reported as general revenues. These revenues are subject to externally imposed restrictions to those program uses.

Fund Financial Statements

The Jackson Soil and Water Conservation District accounts for its services in *general governmental funds*. A fund is a grouping of related accounts being used to maintain control over resources that have been segregated for specific activities or objectives.

Governmental funds are used to account for the sources, uses, and balances of a government's expendable general government financial resources (and the current liabilities). The focus is on how money flows into and out of the general fund and the balances left at year-end that are available for spending.

The Jackson Soil and Water Conservation District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Notes to the Financial Statements

The *notes to the financial statements* give a detailed explanation of the data contained in the preceding statements. These notes are essential to a full understanding of the data provided in the *government-wide* and *fund financial statements*.

Government – wide Financial Analysis

The *government-wide financial statements* are designed so that the user can determine if the District is in a better financial condition or a declined financial condition from the previous year.

The following is a condensed summary of net position for the Jackson Soil and Water Conservation District for fiscal years 2021 and 2022.

Statement of Net Position for the Fiscal Year Ended September 30, 2022

	2022	2021
Assets		
Cash	\$ 278,866	\$ 354,190
Restricted Assets:		
Cash	63,234	208,525
Accounts Receivable	266,811	15,215
Prepaid Expenses	1,162	1,162
Capital Assets, Net	<u>7,802</u>	<u>13,724</u>
Total Assets	<u>617,875</u>	<u>592,816</u>
Deferred Outflows of Resources		
Deferred outflows related to pension	<u>137,725</u>	<u>135,508</u>
Liabilities		
Accounts Payable	-	38,204
Net Pension Liability	164,411	67,080
Accrued Leave	<u>11,368</u>	<u>11,368</u>
Total Liabilities	<u>175,779</u>	<u>116,652</u>
Deferred Inflows of Resources		
Unavailable Revenue	185,960	253,770
Deferred inflows related to pension	<u>7,012</u>	<u>77,144</u>
Total Deferred Inflows of Resources	<u>192,972</u>	<u>330,914</u>
NET POSITION		
Invested in Capital Assets, Net of related Debt	7,802	13,724
Unrestricted	<u>379,047</u>	<u>267,034</u>
Total Net Position	<u>\$ 386,849</u>	<u>\$ 280,758</u>

The following schedule compares the revenues and expenses for the Jackson Soil and Water Conservation District for the current year:

Statement of Activities for the Fiscal Year Ended September 30, 2022

	<u>2022</u>	<u>2021</u>
REVENUES		
Program Revenues		
Operating Grants & Contributions	\$ 1,708,480	\$ 2,471,049
Total Program Revenues	<u>1,708,480</u>	<u>2,471,049</u>
General Revenues		
Miscellaneous	<u>305</u>	<u>-</u>
Total General Revenues	<u>305</u>	<u>-</u>
Total Revenues	<u>1,708,785</u>	<u>2,471,049</u>
EXPENSES		
Governmental Activities		
General Government	<u>1,602,694</u>	<u>2,464,497</u>
Total Expenses	<u>1,602,694</u>	<u>2,464,497</u>
Change in Net Position	<u>106,091</u>	<u>6,552</u>
Net Position-Beginning	<u>280,758</u>	<u>274,206</u>
Net Positon - Ending	<u>\$ 386,849</u>	<u>\$ 280,758</u>

Capital Assets

The Jackson Soil and Water Conservation District does not own land or buildings for its operations. The office space is provided by the Jackson County Board of County Commissioners (Extension Office) at no cost. Capital assets consist of equipment which is depreciated using the estimated useful life of the asset (generally 5 to 10 years).

Capital asset activity for the year ending September 30, 2022 was as follows:

	Beginning			Ending
	<u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balances</u>
Equipment	\$ 30,870	\$ -	\$ -	\$ 30,870
Less Accumulated Depreciation:				
Equipment	<u>(17,146)</u>	<u>(5,922)</u>	<u>-</u>	<u>(23,068)</u>
 Total Capital Assets	 <u>\$ 13,724</u>	 <u>\$ (5,922)</u>	 <u>\$ -</u>	 <u>\$ 7,802</u>

Economic Factors and Next Year’s Budget

The Jackson Soil and Water Conservation District received 100% of its funding from the Jackson County Board of County Commissioners and the Florida Department of Agriculture and Consumer Services. The District is dependent on the receipt of revenue from other agencies to carry out common goals. Loss of these funds and/or a large decrease in this type of funding would have a material effect on the District and a negative impact on overall operations.

This financial report is designed to provide a general overview of the Jackson Soil and Water Conservation District’s finances. Any questions concerning any of the information provided in this report should be directed to:

Jackson Soil and Water Conservation District
2741 Pennsylvania Avenue
Suite #3
Marianna, FL 32448

FINANCIAL STATEMENTS

Jackson Soil & Water Conservation District
Statement of Net Position
September 30, 2022

	<u>Governmental Activities</u>
ASSETS	
Cash	\$ 278,866
Restricted Assets - Cash	63,234
Accounts Receivable	266,811
Prepaid Expenses	1,162
Capital Assets:	
Equipment, Net of Depreciation	7,802
Total Assets	<u>617,875</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pension	<u>137,725</u>
LIABILITIES	
Net Pension Liability	164,411
Accrued Payroll Expenses	11,368
Total Liabilities	<u>175,779</u>
DEFERRED INFLOWS OF RESOURCES	
Unavailable Revenue	185,960
Deferred inflows related to pension	7,012
Total Deferred Inflows of Resources	<u>192,972</u>
NET POSITION	
Invested in Capital Assets, Net of Related Debt	7,802
Unrestricted	379,047
Total Net Position	<u>\$ 386,849</u>

The notes to the financial statements are an integral part of this statement.

Jackson Soil & Water Conservation District
Statement of Activities
For the Year Ending September 30, 2022

	<u>Expenses</u>	<u>Charges for Services</u>	<u>Program Revenues Operating Grants and Contributions</u>	Net (Expense) Revenue and Changes in Net Position
<u>Functions/Programs</u>				<u>Governmental Activities</u>
Governmental Activities				
General Government	\$ 1,602,694	\$ -	\$ 1,708,480	\$ 105,786
Total governmental activities	<u>1,602,694</u>	<u>-</u>	<u>1,708,480</u>	<u>105,786</u>
General Revenues:				
Miscellaneous				<u>305</u>
Total General Revenues				<u>305</u>
Changes in Net Position				106,091
Net Position - beginning				<u>280,758</u>
Net Position - ending				<u>\$ 386,849</u>

The notes to the financial statements are an integral part of this statement.

Jackson Soil & Water Conservation District
 Balance Sheet
 Governmental Funds
 September 30, 2022

	<u>General Fund</u>	<u>Total Governmental Funds</u>
ASSETS		
Cash	\$ 278,866	\$ 278,866
Restricted Assets:		
Cash	63,234	63,234
Accounts Receivable	266,811	266,811
Prepaid Expenses	<u>1,162</u>	<u>1,162</u>
Total Assets	<u>\$ 610,073</u>	<u>\$ 610,073</u>
 LIABILITIES		
Accrued Payroll Expenses	<u>\$ 11,368</u>	<u>\$ 11,368</u>
Total Liabilities	<u>11,368</u>	<u>11,368</u>
 DEFERRED INFLOWS OF RESOURCES		
Unavailable Revenue	<u>185,960</u>	<u>185,960</u>
 FUND BALANCES		
Unassigned	<u>412,745</u>	<u>412,745</u>
Total Fund Balances	<u>412,745</u>	<u>412,745</u>
 Total Liabilities & Fund Balances	 <u>\$ 610,073</u>	 <u>\$ 610,073</u>

The notes to the financial statements are an integral part of this statement.

Jackson Soil & Water Conservation District
 Reconciliation of the Balance Sheet
 To the Statement of Net Position
 For the Year Ended September 30, 2022

Total Fund Balances - Total Governmental Funds	\$	412,745
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		7,802
Some liabilities, including net pension obligations, are not due and payable in the current period and, therefore, are not reported in the funds.		(164,411)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflows of resources related to pensions		137,725
Deferred inflows of resources related to pensions		(7,012)
Total net position	\$	386,849

The notes to the financial statements are an integral part of this statement.

Jackson Soil & Water Conservation District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the year Ended September 30, 2022

	General Fund	Total Governmental Funds
REVENUES		
Intergovernmental Revenues	\$ 1,675,136	\$ 1,675,136
Contributions	33,344	33,344
Miscellaneous	305	305
Total Revenues	1,708,785	1,708,785
EXPENDITURES		
Current:		
General Government	1,571,790	1,571,790
Total Expenditures	1,571,790	1,571,790
Excess (deficiency) of revenue over expenditures	136,995	136,995
Net Change in Fund Balances	136,995	136,995
Fund Balances - beginning	275,750	275,750
Fund Balances - ending	\$ 412,745	\$ 412,745

The notes to the financial statements are an integral part of this statement.

Jackson Soil & Water Conservation District
Reconciliation of the Statement of Revenues, Expenditures,
And Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the year Ended September 30, 2022

Net Change in fund balances - total governmental funds \$ 136,995

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

Governmental funds report capital outlays as expenditures. However, in
the statement of activities the cost of those assets are allocated over their
estimated useful lives and reported as depreciation expense. This is the
amount by which depreciation \$5,922 exceeded capital outlay \$0 in
the current period. (5,922)

Some expenses reported in the statement of activities do not require the
use of current financial resources and, therefore, are not reported as
expenditures in governmental funds. These expenses include:

Pension expenses (24,982)

Changes in net position of governmental activities \$ 106,091

The notes to the financial statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

Jackson Soil & Water Conservation District
Notes to Financial Statements
September 30, 2022

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

The Jackson Soil and Water Conservation District (“the District”) was established July 20, 1987 as an independent special district in accordance with the provisions of the Soil and Water Conservation Law, Chapter 582, Florida Statutes, enacted by the Florida Legislature in 1937. The District is governed by a five-seat board of supervisors who are elected in the general elections of Jackson County.

The District’s financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and interpretations). The most significant accounting policies established GAAP and used by the District are discussed below.

Reporting Entity

The District’s purpose is to provide assistance to private landowners, as well as local, state and federal agencies to solve problems related to soil and water resources.

Government-wide Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the Jackson Soil and Water Conservation District as a whole excluding fiduciary activities. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes and general revenues, from business-type activities, generally financed in whole or in part with fees charged to external customers.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include operating grants and contributions, which finance annual operating activities including restricted investment income. These revenues are subject to externally imposed restrictions to those program uses. Taxes and other revenue sources not properly included with program revenues are reported as general revenues. These revenues are subject to externally imposed restrictions to those program uses. Taxes and other revenue sources not properly included with program revenues are reported as general revenues.

Jackson Soil & Water Conservation District
Notes to Financial Statements
September 30, 2022

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Fund Financial Statements

Fund financial statements are provided for the governmental funds. Major individual governmental funds are reported in separate columns in the fund financial statements.

Basis of Accounting

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds). Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. 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 report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or as soon enough thereafter to pay current liabilities. Jackson Soil and Water Conservation District considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liabilities are incurred, as under accrual accounting.

Grants and interest associated with the current fiscal period are all considered susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered measurable and available only when Jackson Soil and Water Conservation District receives cash.

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

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The District only uses governmental funds.

Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. Governmental funds reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance.

Jackson Soil & Water Conservation District
Notes to Financial Statements
September 30, 2022

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

The Jackson Soil and Water Conservation District reports the following major governmental fund:

General Fund – The General Fund is used to account for all financial resources.

Cash and Investments

Amounts shown as cash include cash in checking accounts, cash on hand and cash in saving accounts.

Restricted Assets

Restricted Assets consist of cash and investment, which are required by resolution to be set-aside for specific purposes and are therefore unavailable for general operating purposes.

Capital Assets and Depreciation

Capital assets generally result from expenditures in the governmental funds. These assets are reported on the government-wide statement of net assets but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Jackson Soil and Water Conservation District maintains a capitalization threshold of \$1,000. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not. Capital assets are depreciated using the straight-line method. Estimated useful lives, in year, for depreciable assets for the furniture, machinery and equipment is 3-30 years.

Deferred Outflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense or expenditure) until then. The deferred outflows of resources reported in the District's Statement of Net Position represent pension related balances for changes in actuarial assumptions, changes in the proportion and differences between the District's contribution and proportionate share of contributions, and the District's contributions subsequent to the measure date, relating to the Florida Retirement System (FRS) Pension Plan. These amounts will be recognized as increases in pension expense in future years.

Jackson Soil & Water Conservation District
Notes to Financial Statements
September 30, 2022

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Deferred Inflows of Resources

Deferred inflows of resources represents acquisition of resources that applies to future reporting periods and will not be recognized as an inflow of resource (revenue) until then. The District reports deferred inflows in the Statement of Net Position for pension related balances for the difference between expected and actual economic experience, the net difference between projected and actual earnings of FRS pension investments, changes in the proportion and differences between the District's contribution and proportional share of contributions relating to the FRS Pension Plans. These amounts will be recognized as reductions in pension expense in future years. Deferred inflows of resources are also reported in the District's statement of net position and its governmental fund balance sheet for revenue that is not considered available. The District will not recognize the related revenues until they are available under the modified accrual basis of accounting.

Pensions

In the government-wide funds statement of net position, liabilities are recognized for the District's proportionate share of the pension plan's net pension liability. For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the net position of the Florida Retirement System (FRS) defined benefit plan and additions to/deductions from FRD's net position has been determined on the same basis as they are reported by the FRS plans. For this purpose, plan contributions are recognized as of paid dates and benefit payments and refunds of employee contributions are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Compensated Absences

The District accrued accumulated unpaid vacation leave when earned (or estimated to be earned) by the employee.

Net Position

Net position presents the difference between assets and liabilities in the statement of net position. Net position invested in capital assets are reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets.

Budget Process

Florida Statutes govern the preparation, adoption, and administration of the budget for the District. Independent Special Districts must adopt a budget by resolution each fiscal year.

Jackson Soil & Water Conservation District
Notes to Financial Statements
September 30, 2022

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Risk Management and Insurance

The District purchased liability insurance and workers compensation insurance to cover the Mobile Irrigation Lab Technicians and Best Management Practices Technicians. The District did not deem any other insurance necessary for the fiscal year ended September 30, 2022.

Fund Equity

The following fund balance classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance – amounts that are not in spendable form (such as inventory) or are required to be maintained intact;
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- Assigned fund balance – amounts the government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the general fund.

At September 30, 2022, Jackson Soil and Water Conservation District had no nonspendable, restricted, committed, or assigned fund balances. Jackson Soil and Water Conservation District does not have a formal policy for minimum fund balances. The District uses the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned.

Jackson Soil & Water Conservation District
Notes to Financial Statements
September 30, 2022

NOTE 2 – CASH

Jackson Soil & Water Conservation District, in accordance with state and local regulations, deposits its cash funds in approved financial institutions. The financial institutions are required to pledge U.S. Government Securities as collateral for such funds. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk or interest rate risk. The District has not formally adopted deposit and investment policies that limit the District's allowable deposits or investment and address the specific types of risk to which the District might be exposed. The District maintains cash balances at one bank in Marianna, Florida. At September 30, 2022, the carrying amount of the district's deposits was \$342,100 and the bank balance was \$342,100. \$250,000 was covered by federal depository insurance, \$92,100 was subject to Custodial Risk (risk of loss due to bank failure) but collateralized with securities pledged by the financial institution and held in trust, but not in the District's name.

NOTE 3 – CAPITAL ASSETS

Capital asset activity for the year ending September 30, 2022 was as follows:

	Beginning			Ending
	<u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balances</u>
Equipment	\$ 30,870	\$ -	\$ -	\$ 30,870
Less Accumulated Depreciation:				
Equipment	<u>(17,146)</u>	<u>(5,922)</u>	<u>-</u>	<u>(23,068)</u>
 Total Capital Assets	 <u>\$ 13,724</u>	 <u>\$ (5,922)</u>	 <u>\$ -</u>	 <u>\$ 7,802</u>

Depreciation expense was charged to governmental activities as follows:

General government	\$ 5,922
Total governmental depreciation expense	<u>\$ 5,922</u>

NOTE 4 – COMPENSATED ABSENCES PAYABLE

The amount of accumulated leave may not exceed 240 hours for full-time employees. The District does not pay employees for accumulated sick leave at termination. The total accrued leave payable at September 30, 2022 was \$9,346.

Jackson Soil & Water Conservation District
Notes to Financial Statements
September 30, 2022

NOTE 5 – GRANTS

The Jackson Soil and Water Conservation District has the following agreements with the Florida Department of Agriculture and Consumer Services.

	<u>Agreement #</u>	<u>CSFA #</u>	<u>State Grant Revenue</u>
Florida Department of Agriculture and Consumer Services	26239	42.017	142,064
Florida Department of Agriculture and Consumer Services	27062	42.017	161,062
Florida Department of Agriculture and Consumer Services	27699	42.017	<u>1,070,236</u>
Total State Grant Revenue			<u>\$ 1,373,362</u>
	<u>Agreement #</u>	<u>CFDA#</u>	<u>Federal Grant Revenue</u>
Gulf Coast Ecosystem Restoration Council Comprehensive Plan Component Program passed through the Florida Department of Agriculture and Consumer Services	25295	87.051	\$ 9,457
Gulf Coast Ecosystem Restoration Council Comprehensive Plan Component Program passed through the Florida Department of Agriculture and Consumer Services	25322	87.051	\$ 241,570
Environmental Protection Agency, Gulf of Mexico Program passed through the Florida Department of Agriculture and Consumer Services	27409	66.475	<u>42,547</u>
Total Federal Grant Revenue			<u>\$ 293,574</u>

The grants and contributions includes contributions from the Jackson County Board of County Commissioners in the amount of \$33,344 for in-kind services related to salaries and benefits paid on behalf of the Organization and \$8,200 in direct contributions.

Jackson Soil & Water Conservation District
Notes to Financial Statements
September 30, 2022

NOTE 6 - PENSION PLANS

General Information about the Pension Plan

Plan Description

The Jackson Soil and Water Conservation District participates in the Florida Retirement System (FRS), a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer defined benefit plans and other nonintegrated programs. The plans provide retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report and other relevant information, is available from the Florida Department of Management Services' website (www.dms.myflorida.com).

The Florida Retirement System (FRS) Pension plan is a cost-sharing, multiple-employer qualified defined benefit pension plan with a Deferred Retirement Option Program (DROP) available for eligible employees. The FRS was established and is administered in accordance with Chapter 121, Florida Statutes. Retirees receive a lifetime pension benefit with joint and survivor payment options. FRS membership is compulsory for employees filling regularly established positions in a state agency, county agency, state university, state community college, or district school board, unless restricted from FRS membership under Section 121.053 and 121.122, Florida Statutes, or allowed to participate in a defined contribution plan in lieu of FRS membership. Participation by cities, municipalities, special districts, charter schools and metropolitan planning organizations is optional.

The Retiree Health Insurance Subsidy (HIS) Program is a cost-sharing, multiple employer defined benefit pension plan established and administered in accordance with Section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement system in paying their health insurance costs. To be eligible to receive a HIS benefit, a retiree under one of the state administered retirement systems must provide proof of eligible health insurance coverage, which can include Medicare.

Benefits

For employees initially enrolled before July 1, 2011, normal retirement benefits are available to regular class employees who retire with at least 6 years of service and have reached age 62; the age after 62 the member becomes vested; or with 30 years of service at any age. Special risk class employees may receive normal retirement benefits with at least 6 years of special risk service after reaching age 55; to age after 55 the member becomes vested; after 25 years of service, consisting of both special risk service and up to four year of wartime military service, and age 52; after 25 years special risk service regardless of age; or with 30 years any creditable service regardless of age.

Jackson Soil & Water Conservation District
Notes to Financial Statements
September 30, 2022

NOTE 6 - PENSION PLAN - Continued

For employees enrolled after July 1, 2011, regular class employees receive benefits with eight years of service and age 65 or 33 years of service, regardless of age. Special risk class employees are vested with eight years of special risk service and age 60; 30 years of service, consisting of both special risk service and up to four years of wartime military service, and age 57; 30 years of special risk service, regardless of age; or 33 years of any creditable service, regardless of age.

Service retirement benefits are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For employees initially enrolled prior to July 1, 2011 benefits, the average final compensation is the average of the five highest fiscal years' earnings; for employees initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the employee belonged when the service credit was earned.

The System provides for several benefit options, disability benefits and survivor benefits.

The cost-of-living adjustment for retirements effective before August 1, 2011 is 3% per year. The cost-of-living adjustment formula for retirees with an effective retirement date on or after August 1, 2011, will be the sum of the pre-July 2011 service credit divided by the total service credit earned multiplied by 3 percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Contributions

The District is required to contribute at an actuarially determined rate. The contributions requirements of plan members and the District are established and may be amended by the Florida Legislature.

Applicable rates effective at September 30, 2022 were:

	Employee Contribution	Employer Contribution	Total Contribution
Regular	3.00%	10.82%	13.82%
Special Risk	3.00%	25.89%	28.89%
Senior Management	3.00%	29.01%	32.01%
DROP	N/A	18.34%	18.34%

The above rates do not include a 1.66% health insurance subsidy contribution and .06% administrative assessment.

Total payroll for the District's employees covered by the System was \$171,287 for the year ended September 30, 2022.

Jackson Soil & Water Conservation District
Notes to Financial Statements
September 30, 2022

NOTE 6 - PENSION PLAN - Continued

The District's contributions for the year ended September 30, 2022 were \$16,147 to the FRS and \$2,841 to the HIS.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of resources Related to Pensions

At September 30, 2022, the District reported a liability for its proportionate shares of the net pension liability. The net pension liability for the FRS Pension Plan and HIS program was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated June 30, 2022. The District's Proportions of the net pension liabilities was based on the District's share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

	FRS	HIS	Total
Net pension liability at September 30, 2022	\$ 120,340	\$ 44,071	\$ 164,411
Proportion at:			
June 30, 2022	0.000323425%	0.000416094%	
June 30, 2021	0.000285536%	0.000371019%	
Pension expense (benefit), year ended September 30, 2022	\$ 34,447	\$ 9,521	\$ 43,968

At September 30, 2022 the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	FRS		HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 5,715	\$ -	\$ 1,338	\$ -
Changes of assumption	14,820	-	2,526	194
Net difference between projected and actual earnings on pension plan investments	7,946	-	64	6,818
Changes in proportion and differences between City contributions and proportionate share of contributions	66,440	-	32,663	-
City contributions subsequent to the measurement date	5,343	-	870	-
Total	\$ 100,264	\$ -	\$ 37,461	\$ 7,012

Jackson Soil & Water Conservation District
Notes to Financial Statements
September 30, 2022

NOTE 6 - PENSION PLAN - Continued

Deferred outflows of resources related to pensions included \$ 2,997 for FRS and \$547 for HIS resulting from contributions subsequent to the measurement date. This amount will be recognized as a reduction of the net pension liability in the year ended September 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended September 30,	<u>FRS</u>	<u>HIS</u>
2023	\$ 6,551	\$ (709)
2024	2,563	(401)
2025	(2,278)	(185)
2026	20,222	(401)
2027	1,139	(925)
Thereafter	-	(432)

Actuarial Methods and Assumptions

The Florida Retirement System (FRS) Actuarial Assumption Conference is responsible for setting the assumptions used in the funding valuations of the defined benefit pension plan pursuant to section 216.136(10), Florida Statutes. The division determines the assumptions in the valuations for GASB 67 reporting purposes. The FRS Pension Plan's GASB 67 valuation is performed annually. The HIS Program has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the FRS Pension Plan was completed in 2019 for the period July 1, 2013, through June 30, 2018. Because the HIS Program is funded on a pay-as-you-go basis, no experience study has been completed for that program. The actuarial assumptions that determined the total pension liability for the HIS Program were based on certain results of the most recent experience study for the FRS Pension Plan.

The total pension liability for each cost-sharing defined benefit plan was determined using the individual entry age actuarial cost method. Inflation increases for both plans as assumed at 2.40%. Payroll growth, including inflation, for both plans is assumed at 3.25%. Both the discount rate and the long-term expected rate of return used for FRS Pension Plan investment is 6.70%. The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Because the HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 3.54% was used to determine the total pension liability for the program (Bond Buyer General Obligation 20-Bond Municipal Bond Index). Mortality assumptions for both the FRS Pension Plan and the HIS Program was based on the PUB-2010 base table, projected generationally with Scale MP-2018.

Jackson Soil & Water Conservation District
Notes to Financial Statements
September 30, 2022

NOTE 6 - PENSION PLAN - Continued

The following changes in actuarial assumptions occurred in 2022:

- FRS: The long term expected rate of return decreased from 6.80% to 6.70%.
- HIS: The demographic assumptions for the Special Risk class were updated to reflect plan changes due to HB5007, HB689, and SB838; The election assumption for vested terminated members was updated from 20% to 50% to reflect recent experience; and the municipal bond rate used to determine total pension liability was increased from 2.16% to 3.54%.

The long-term expected rate of return assumption of 6.70% consists of two building block components: 1) a inferred real (in excess of inflation) return of 4.20%, which is consistent with the 4.38% real return from the capital market outlook model developed by the FRS consulting actuary, Milliman; and 2) a long-term average annual inflation assumption of 2.40% as adopted in October 2022 by the FRS Actuarial Assumption Conference. In the opinion of the FRS consulting actuary both components and the overall 6.70% return assumption were determined to be reasonable and appropriate per Actuarial Standards of Practice. The 6.70% reported investment return assumption in the same as the investment return assumption chosen by the 2022 FRS Actuarial Assumption Conference for funding policy purposes.

The table below summarizes the key assumptions for each of the asset classes in which the plan was invested at that time based on the long-term target allocation. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumptions. These assumptions are not based on historical return, but instead are based on a forward-looking capital market model.

Asset Class	Target Allocation	Compound		Standard Deviation
		Annual Arithmetic Return	Annual Geometric Return	
Cash	1.0%	2.6%	2.6%	1.1%
Fixed income	19.8%	4.4%	4.4%	3.2%
Global equity	54.0%	8.8%	7.3%	17.8%
Real Estate	10.3%	7.4%	6.3%	15.7%
Private equity	11.1%	12.0%	8.9%	26.3%
Strategic investments	3.8%	6.2%	5.9%	7.8%

NOTE 6 - PENSION PLAN - Continued

Pension Liability Sensitivity

The following table demonstrates the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the District proportionate share of the net pension liability if the discount rate was 1% higher or 1% lower than the current discount rate:

	<u>FRS</u>			<u>HIS</u>		
	Current			Current		
	1% Decrease	Discount Rate	1% Increase	1% Decrease	Discount Rate	1% Increase
	<u>5.70%</u>	<u>6.70%</u>	<u>7.70%</u>	<u>2.54%</u>	<u>3.54%</u>	<u>4.54%</u>
City's proportionate share of net pension liability	<u>\$208,120</u>	<u>\$120,340</u>	<u>\$ 46,946</u>	<u>\$50,421</u>	<u>\$44,071</u>	<u>\$38,817</u>

Pension Plan Fiduciary Net Position

Detailed information about the FRS Plan's fiduciary net position is available in a separately-issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report. The report may be obtained through the Florida Department of Management Services website: <http://www.dms.myflorida.com>.

REQUIRED SUPPLEMENTARY INFORMATION

Required Supplementary Information
Jackson Soil & Water Conservation District
Budgetary Comparison Schedule – General Fund
For the Year Ending September 30, 2022

	Budgeted Amounts		Actual Amounts
	Original	Final	(GAAP Basis)
REVENUES			
Intergovernmental Revenues	\$ -	\$ -	\$ 1,675,136
Contributions	-	-	33,344
Miscellaneous	-	-	305
Total Revenues	-	-	1,708,785
EXPENDITURES			
Current:			
General Government	-	-	1,571,790
Total Expenditures	-	-	1,571,790
Excess (deficiency) of revenues over expenditures	-	-	136,995
Net Change in Fund Balances	-	-	136,995
Fund Balances - beginning	275,750	275,750	275,750
Fund Balances - ending	\$ 275,750	\$ 275,750	\$ 412,745

Note: This schedule is prepared on the modified accrual basis of accounting.

The notes to the financial statements are an integral part of this statement.

Schedule of the Jackson Soil & Water Conservation District's Proportionate
Share of Net Pension Liability – Florida Retirement System and
Health Insurance Subsidy Program
Last 2 Fiscal Years*

FLORIDA RETIREMENT SYSTEM		
	<u>2022</u>	<u>2021</u>
District's proportion of the Net Pension Liability	0.000323%	0.000286%
District's proportionate share of Net Pension Liability	\$120,340	\$ 21,569
District's Covered Employee Payroll	\$171,287	\$ 126,991
District's proportionate share of Net Pension Liability as a percentage of its covered-employee payroll	70.26%	16.98%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	82.89%	96.40%

HEALTH INSURANCE SUBSIDY PROGRAM		
	<u>2022</u>	<u>2021</u>
District's proportion of the Net Pension Liability	0.000416%	0.000371%
District's proportionate share of Net Pension Liability	\$ 44,071	\$ 45,511
District's Covered Employee Payroll	\$ 171,287	\$ 126,991
District's proportionate share of Net Pension Liability as a percentage of its covered-employee payroll	25.73%	35.84%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	4.81%	3.56%

Note: Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the District will present information for only those years for which the information is available.

Schedule of the Jackson Soil & Water Conservation District's Contributions
Florida Retirement System and Health Insurance Subsidy Program
Last 2 Fiscal Years*

FLORIDA RETIREMENT SYSTEM		
	<u>2022</u>	<u>2021</u>
Contractually Required Contribution	\$ 16,157	\$ 10,873
Contributions in Relation to the Contractually Required Contribution	<u>(16,157)</u>	<u>(10,873)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
District's Covered-Employee Payroll	\$171,287	\$126,991
Contributions as a Percentage of Covered-Employee Payroll	9.43%	8.56%
HEALTH INSURANCE SUBSIDY PROGRAM		
	<u>2022</u>	<u>2021</u>
Contractually Required Contribution	\$ 2,841	\$ 2,181
Contributions in Relation to the Contractually Required Contribution	<u>(2,841)</u>	<u>(2,181)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
District's Covered-Employee Payroll	\$171,287	\$126,991
Contributions as a Percentage of Covered-Employee Payroll	1.66%	1.72%

Note: Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the District will present information for only those years for which the information is available.

SUPPLEMENTARY INFORMATION

Jackson Soil & Water Conservation District
 Schedule of Expenditures of State Financial Assistance
 For the Year Ended September 30, 2022

State Projects

Grantor/Pass Through Grantor/ Program Title	CFDA Number	Identifying Number	State Expenditures
Department of Agriculture and Consumer Services Agricultural Nonpoint Source Best Management Practices Implementation	42.017	26239	135,299
Department of Agriculture and Consumer Services Agricultural Nonpoint Source Best Management Practices Implementation	42.017	27062	153,393
Department of Agriculture and Consumer Services Agricultural Nonpoint Source Best Management Practices Implementation	42.017	27699	<u>1,019,272</u>
Total expenditures of state financial assistance			<u>\$ 1,307,964</u>

Jackson Soil & Water Conservation District
Notes to Schedule of State Financial Assistance
For the Year Ended September 30, 2022

NOTE 1 – BASIS OF PRESENTATION

The supplementary Schedule of Expenditures of State Financial Assistance include the grant activities of the Jackson Soil and Water Conservation District (the District). State expenditures are presented on the accrual basis of accounting. The information in these schedules is presented in accordance with the requirement of Chapter 10.550, Rules of the Auditor General. Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of, the basis financials statements.

NOTE 2 – PASS-THROUGH AWARDS

The District receives certain federal awards from pass-through awards of the State. The total amount of such pass-through awards is included on the supplementary schedule of expenditures of federal award programs.

NOTE 3 – INDIRECT COST

The District has not elected to use the 10% de minimis indirect cost rate.

NOTE 4 – OTHER TYPES OF FINANCIAL ASSISTANCE

There were no other types of financial assistance to include endowments, insurance in effect, non-cash assistance, donated property or free rent received or included in the Schedule of Expenditures of Federal Awards and State Financial Assistance.

NOTE 5 – SUBRECIPIENTS

During the year ended September 30, 2022, the District had no subrecipients.

NOTE 6 – CONTINGENCIES

Grant monies received and disbursed by the District are for specific purposes and are subject to review by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon prior experience, the District does not believe that such disallowances, if any, would have a material effect on the financial position of the District.

INDEPENDENT ACCOUNTANT'S EXAMINATION REPORT

GRIMSLEY & ASSOCIATES

Professional Association

Certified Public Accountants

MEMBER
FLORIDA INSTITUTE AND
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

OWEN W. GRIMSLEY, C.P.A.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES

Board of Directors
Jackson Soil & Water Conservation District
Marianna, Florida

We have examined Jackson Soil and Water Conservation District's compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2022. Management is responsible for Jackson Soil and Water Conservation District's compliance with those requirements. Our responsibility is to express an opinion on Jackson Soil and Water Conservation 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 the Jackson Soil and Water Conservation District complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Jackson Soil and Water Conservation District complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that our examination provides a reasonable basis for our opinion.

Our examination does not provide a legal determination on Jackson Soil and Water Conservation District's compliance with specified requirements.

In our opinion, Jackson Soil and Water Conservation District complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2022.

This report is intended solely for the information and use of management and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

Grimsley & Associates

Marianna, Florida
June 19, 2023

Grimsley and Associates, P.A.
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT
REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

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

GRIMSLEY & ASSOCIATES

Professional Association

Certified Public Accountants

OWEN W. GRIMSLEY, C.P.A.

MEMBER
FLORIDA INSTITUTE AND
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

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*

Board of Directors
Jackson Soil & Water Conservation District
Marianna, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audit contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and major fund of the Jackson Soil & Water Conservation District, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Jackson Soil & Water Conservation District's basic financial statements and have issued our report thereon dated June 19, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Jackson Soil & Water Conservation 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 Jackson Soil & Water Conservation District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Jackson Soil & Water Conservation 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. However, as described in the accompanying schedule of findings and questioned costs, 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 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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as item 2007-001 to be a material weakness.

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 deficiency described in the accompanying schedule of findings and questioned costs as item 2006-001 to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Jackson Soil & Water Conservation District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2021-001.

Jackson Soil & Water Conservation District's Response to Findings

The Jackson Soil & Water Conservation District's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The Jackson Soil & Water Conservation 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 this Report

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

Grimsley & Associates

Marianna, Florida
June 19, 2023

Grimsley & Associates, P.A.
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND EACH MAJOR STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL.

GRIMSLEY & ASSOCIATES

Professional Association

Certified Public Accountants

MEMBER
FLORIDA INSTITUTE AND
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

OWEN W. GRIMSLEY, C.P.A.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY CHAPTER 10.550, RULES OF THE FLORIDA AUDITOR GENERAL

Board of Directors
Jackson Soil & Water Conservation District
Marianna, Florida

Report on Compliance for Each Major State Project

Opinion on Each Major State Project

We have audited Jackson Soil & Water Conservation District's (the District) compliance with the types of compliance requirements described in the *Department of Financial Services' State Projects Compliance Supplement*, that could have a direct and material effect on each of its major state projects for the year ended September 30, 2022. The District's major state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state projects for the year ended September 30, 2022.

Basis for Opinion on Each Major State Project

We conducted our audit of compliance 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. Our responsibility under those standards and Chapter 10.550, Rules of the Auditor General are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Jackson Soil & Water Conservation District and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major state project. Our audit does not provide a legal determination of Jackson Soil & Water Conservation District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Jackson Soil & Water Conservation District's state projects.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Jackson Soil & Water Conservation District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards. *Government Auditing Standards*, and Chapter 10.550, Rules of the Auditor General will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Jackson Soil & Water Conservation District's compliance with the requirements of each major state project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and Chapter 10.550, Rules of the Auditor General, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Jackson Soil & Water Conservation District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Jackson Soil & Water Conservation District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with Chapter 10.550, but not for the purpose of expressing an opinion on the effectiveness of Jackson Soil & Water Conservation District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state project will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Chapter 10.550, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

Grimsley & Associates

June 19, 2023
Marianna, Florida

Grimsley & Associates, P.A.
Certified Public Accountants

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Jackson Soil & Water Conservation District
 Schedule of Findings and Questioned Costs
 September 30, 2022

Section I - Summary of Auditor's Results

Financial Statements

- | | |
|--|------------|
| 1. Type of auditor's report issued | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weaknesses identified? | Yes |
| b. Significant deficiencies identified not considered to be material weaknesses? | Yes |
| c. Noncompliance material to the financial statements noted? | Yes |

State Projects

- | | |
|--|------------|
| 1. Type of auditor's report issued on compliance for major programs | Unmodified |
| 2. Internal control over major programs: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | None noted |
| 3. Any audit findings disclosed that are required to be reported in accordance with 2CFR section 200.516(a)? | None noted |
| 4. Identification of major programs | |

CSFA Number	State Project
42.017	Agricultural Nonpoint Source Best Management Practices Implementation

- | | |
|--|-----------|
| 5. Dollar threshold used to distinguish between type A and type B programs | \$392,389 |
|--|-----------|

Section II – Financial Statement Findings

2006-001

Criteria – Custody of assets, record keeping and recording of assets should have adequate separation.

Condition – Due to the size of the organization, proper separation of duties may not be feasible.

Effect – Controls should be implemented to help compensate for the weaknesses.

Cause – This is a small one-person bookkeeping system.

Recommendation – Management should remain very active and involved in the day-to-day operations. It is essential that records be maintained current and up-to-date. Controls should be established to provide checks and balances.

Response – The Jackson SWCD continues to make every effort to separate the record keeping duties from the custody of assets as much as is possible. We have a one person staff who keep the Board of Supervisors aware of all day-to-day operations. The Board continues to maintain an active role in all aspects.

Jackson Soil & Water Conservation District
Schedule of Findings and Questioned Costs
September 30, 2022

2007-001

Criteria – An entity’s system of internal control over financial reporting should include controls over the prevention, detection and correction of misstatements in the audited financial statements.

Condition – The District relies on the external auditor to assist with preparing and explaining financial statements in conformity with generally accepted accounting principles.

Effect – Since the auditor cannot be a part of an entity’s system of internal accounting control, the District’s system of internal accounting control over the financial reporting is not sufficient, by itself, to prevent, detect or correct misstatements in the audited financial statements.

Cause – The District has a small accounting staff necessitated by the overall small size of the entity. They do not consider it cost effective to develop and maintain a system of internal accounting control sufficient by itself to allow the preparation of financial statements in accordance with generally accepted accounting principles, nor to maintain internal staff with sufficient knowledge to develop and maintain controls to prevent, detect or correct misstatements in audited financial statements.

Recommendation – The District should continue to consider the effects of the cost of developing and benefits of implementing such a system as compared with understanding that due to the size of their accounting department, they will continue to need external assistance with the preparation and understanding of financial statements in accordance with generally accepted accounting principles.

Response – The Jackson SWCD considers the cost of maintaining a system of internal controls to be prohibitive. The small size of our entity, and the one person staff precludes establishing such a system.

Jackson Soil & Water Conservation District
Schedule of Findings and Questioned Costs
September 30, 2022

2021-001

Criteria – Per Florida Statute Chapter 189.016 the Jackson Soil and Water Conservation District is required to adopt a balanced budget by resolution and post the budget on the District's or County's website.

Condition – The Conservation District did not adopt a balanced budget by resolution.

Effect – The Conservation District is in violation of Florida Statutes, Chapter 189.016.

Cause – Due to the fact that the Conservation District funding fluctuates from year to year, they find it difficult to prepare a budget.

Recommendation – The Conservation District should prepare a budget and make necessary amendments throughout the year in order to be in compliance with Florida Statute 189.016.

Response – The Jackson SWCD current staff was not aware of the requirement for a budget, when they became aware of the need for a budget they began to work on one, and in the future budgets will be prepared and any necessary amendments will be done to be in compliance with Florida Statutes.

Section III – Federal Award Findings and Questioned Costs

None noted.

Section IV – State Project Findings and Questioned Costs

None noted.

Section V – Summary of Prior Year Audit

None Noted.

INDEPENDENT AUDITOR'S REPORT TO MANAGEMENT
REQUIRED BY THE STATE OF FLORIDA

GRIMSLEY & ASSOCIATES

Professional Association

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MEMBER
FLORIDA INSTITUTE AND
AMERICAN INSTITUTE OF
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OWEN W. GRIMSLEY, C.P.A.

INDEPENDENT AUDITOR'S REPORT TO MANAGEMENT

Board of Supervisors
Jackson Soil & Water Conservation District
Marianna, Florida

Report on the Financial Statements

We have audited the financial statements of the Jackson Soil & Water Conservation District, as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated June 19, 2023.

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 Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated June 19, 2023, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report except as noted below under the heading Prior Year Findings and Recommendations.

The management letter items are as follows:

None

The schedule of findings items are as follows:

Tabulation of Uncorrected Audit Findings		
Current Year Finding #	2020-21 FY Finding #	2019-20 FY Finding #
2006-001	2006-001	2006-001
2007-001	2007-001	2007-001
2021-001	2021-001	N/A

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 is disclosed in the notes to the financial statements.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the Jackson Soil & Water Conservation District has met one or more of the conditions described in Section 218.503(1) Florida Statutes, and to identify the specific conditions met. In connection with our audit, we determined that the Jackson Soil & Water Conservation 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 Jackson Soil & Water Conservation District. It is management’s responsibility to monitor the, Jackson Soil & Water Conservation District’s financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same.

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

Specific Information

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the Jackson Soil & Water Conservation District reported:

- a. The total number of district employees compensated in the last pay period of the district's fiscal year as 4.
- b. The total number of independent contractor to whom nonemployee compensation was paid in the last month of the district's fiscal year as 0.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$ 171,131.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as 0.
- 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 the with total expenditures for such project as 0.
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes, as 0.

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 warrant the attention of those charged with governance. In connection with our audit, we did not have 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 Mayor and District Council, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Grimsley & Associates

Marianna, Florida
June 19, 2023

Grimsley and Associates, P.A.
Certified Public Accountants