

**PUTNAM SOIL AND WATER  
CONSERVATION DISTRICT**

**FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITOR'S REPORT**

**SEPTEMBER 30, 2022**

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**INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS**

To the Governing Board  
Putnam Soil and Water Conservation District

**Report on Financial Statements**

***Opinions***

I have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of Putnam Soil and Water Conservation District, Florida (the "District") as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In my opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information for the District as of September 30, 2022, and the respective changes in financial position thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinions***

I conducted my audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Putnam Soil and Water Conservation District and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

***Emphasis of Matter***

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each major fund and the aggregate remaining fund information, only for the portion of the major funds and the aggregate remaining fund information, of Putnam County Soil and Water Conservation District that is attributable to Putnam County Soil and Water Conservation District. They do not purport to, and do not, present fairly the financial position of Putnam County Soil and Water Conservation District as of September 30, 2022, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. My opinion is not modified with respect to these matters.

## **Responsibilities of Management for the Financial Statements**

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

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 Putnam Soil and Water Conservation District's ability to continue as a going concern for twelve months beyond the financial statement date, including any known information that may raise substantial doubt shortly thereafter.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

My objective is 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 an opinion. 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 GAAS 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, individually or in the aggregate, they could reasonably be expected to influence the judgment made by a reasonable user made on the basis of these financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, I:

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

I am 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 I 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 on pages 4 through 7 as listed in the table of contents, 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 reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Budgetary Comparison Schedule on page 18 as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare 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 records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In my opinion, the supplementary information is 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*, I have also issued a report dated June 3, 2023 on my consideration of the District's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*James E. Davis*

June 3, 2023

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of the Putnam Soil and Water Conservation District has prepared the following discussion and analysis to (a) assist the reader in focusing on significant financial issues; (b) provide an overview and analysis of the District's financial activities; (c) identify changes in the District's financial position; (d) identify material deviations from the approved budget; and (e) highlight significant issues in individual funds.

Because the information contained in the Management's Discussion and Analysis (MD&A) is intended to highlight significant transaction, events, and conditions, it should be considered in conjunction with the District's financial statements and notes to financial statements found on pages 4 through 24.

Its intent is to provide a brief, objective and easily readable analysis of the District's financial performance for the year and its financial position at fiscal year-end September 30, 2022.

One of the key changes in financial presentation is the requirement to capitalize fixed assets and record depreciation.

### FINANCIAL HIGHLIGHTS

Key financial highlights for the 2021-22 fiscal year are as follows:

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$128,421.
- The District's total net position, increased by \$473, which represents a 0.37 percent increase from the 2020-21 fiscal year.
- As of the close of the current fiscal year, the District's governmental fund reported a fund balance of \$282,421, an increase of \$81,084 in comparison with the prior year.
- During the current year, General Fund revenues were more than expenditures by \$81,084.

### OVERVIEW OF THE FINANCIAL STATEMENTS

The basic financial statements consist of three components:

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

#### *Government-Wide Financial Statements*

The government-wide financial statements provide both short-term and long-term information about the District's overall financial condition in a manner similar to those of a private-sector business. The statements include a statement of net assets and a statement of activities that are designed to provide consolidated financial information about the governmental activities of the District presented on the accrual basis of accounting. The statement of net assets provides information about the government's financial position, its assets and liabilities, using an economic resources measurement focus. The difference between the assets and liabilities, the net assets, is a measure of the financial health of the District. The statement of activities presents information about the change in the District's net assets, the results of operations, during the fiscal year. An increase or decrease in net assets may be an indication of whether the District's financial health is improving or deteriorating.

The government-wide statements present the District's activities in one category:

- Governmental activities – This represents the District's conservation services. Support functions such as administration are also included. Support from the State of Florida provides most of the resources that support these activities.

## **MANAGEMENTS' DISCUSSION AND ANALYSIS - continued**

### *Fund Financial Statements*

Fund financial statements are one of the components of the basic financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements and prudent fiscal management. Certain funds are established by law while others are created by legal agreements, such as bond covenants. Fund financial statements provide more detailed information about the District's financial activities, focusing on its most significant or "major" funds rather than fund types. This is in contrast to the entity-wide perspective contained in the government-wide statements. All of the District's funds may be classified within the category discussed below.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, the governmental funds utilize a spendable financial resources measurement focus rather than the economic resources measurement focus found in the government-wide financial statements. This financial resources measurement focus allows the governmental fund statements to provide information on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year.

The governmental fund statements provide a detailed short-term view that may be used to evaluate the District's near-term financing requirements. This short-term view is useful when compared to the long-term view presented as governmental activities in the government-wide financial statements. To facilitate this comparison, both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation of governmental funds to governmental activities.

The governmental funds balance sheet and statement of revenues, expenditures, and changes in fund balances provide detailed information about the District's only fund, the General Fund.

The District adopts an annual appropriated budget for its governmental fund. A budgetary comparison schedule has been provided for the General Fund.

### *Notes to Financial Statements*

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net assets may serve over time as a useful indicator of a government's financial position. The following is a summary of the District's net position as of September 30, 2022.

The District's net position are spread approximately equally in cash and cash equivalents and have no capital assets.

**MANAGEMENTS' DISCUSSION AND ANALYSIS - continued**

**NET POSITION -  
END OF YEAR**  
Governmental  
Activities

	<u>9/30/2021</u>	<u>9/30/2022</u>
Current and Other Assets	<u>\$ 281,948</u>	<u>\$ 282,421</u>
<b>Total Assets</b>	<u><u>\$ 281,948</u></u>	<u><u>\$ 282,421</u></u>
Current Liabilities	<u>\$ 154,000</u>	<u>\$ 154,000</u>
<b>Total Liabilities</b>	<u>154,000</u>	<u>154,000</u>
Net Position:		
Restricted	-	-
Unrestricted	<u>127,948</u>	<u>128,421</u>
<b>Total Net Position</b>	<u><u>\$ 127,948</u></u>	<u><u>\$ 128,421</u></u>

The key elements of the changes in the District's net position for the fiscal year ended September 30, 2022 is as follows:

**Operating Results**  
**Governmental**  
**Activities**

	<u>9/30/2021</u>	<u>9/30/2022</u>
Program Revenues		
Operating Grants	\$ 973,452	\$ 269,059
General Revenues		
Other Revenue	9,250	6,549
Interest	<u>338</u>	<u>25</u>
<b>Total Revenue</b>	<u>983,040</u>	<u>275,633</u>
Functions/Program Expenses:		
Conservation	<u>946,236</u>	<u>275,160</u>
<b>Total Functions/Program Expenses</b>	<u>946,236</u>	<u>275,160</u>
<b>Increase (Decrease) in Net Position</b>	<u><u>\$ 36,804</u></u>	<u><u>\$ 473</u></u>

## **MANAGEMENTS' DISCUSSION AND ANALYSIS - continued**

Governmental activities increased the District's net position by \$473, or approximately 0.37 percent.

### FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

#### *Major Governmental Funds*

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, unreserved fund balance was \$282,421, while the total fund balance was \$282,421. As a measure of the General Fund's liquidity, it may be useful to compare both the unreserved fund balance and total fund balance to total General Fund expenditures. Unreserved fund balance represents 1.026 percent of total General Fund expenditures, while total fund balance increased \$81,084 during the year ended September 30, 2022.

### GENERAL FUND BUDGETARY HIGHLIGHTS

During the course of the 2021-22 fiscal year, the District did not amend its General Fund budget. At the same time, final expenses were less than of the original budgeted amounts by \$164,840.

### CAPITAL ASSETS

The District has no capital assets, such as buildings or equipment.

### REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Putnam Soil and Water Conservation District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the, Putnam Soil and Water Conservation District, 111 Yelvington Road, Suite 4, Palatka, Florida 32131.

**PUTNAM SOIL AND WATER CONSERVATION DISTRICT  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2022**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash & Cash Equivalents	\$ 282,421
<b>Total Assets</b>	<u>\$ 282,421</u>
<b>LIABILITIES</b>	
Unearned Grant Revenue - advances	\$ 154,000
<b>NET ASSETS</b>	
Unrestricted	128,421
<b>Total Net Position</b>	<u>128,421</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$ 282,421</u>

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

**PUTNAM SOIL AND WATER CONSERVATION DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue & Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>Governmental Activities:</b>					
Conservation	\$ 275,160	\$ -	\$ 269,059	\$ -	\$ (6,101)
<b>Total Government Activities</b>	<b>\$ 275,160</b>	<b>\$ -</b>	<b>\$ 269,059</b>	<b>\$ -</b>	<b>\$ (6,101)</b>
General Revenues:					
					25
					6,549
					6,574
					473
					127,948
					\$ 128,421

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

**PUTNAM SOIL AND WATER CONSERVATION DISTRICT  
BALANCE SHEET - GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2022**

	General Fund
<b>ASSETS</b>	
Cash & Cash Equivalents	\$ 282,421
<b>TOTAL ASSETS</b>	\$ 282,421
<b>LIABILITIES AND FUND BALANCES</b>	
Liabilities:	
Accounts Payable	\$ -
<b>Total Liabilities</b>	-
Fund Balances:	
Unassigned	282,421
<b>Total Fund Balances</b>	282,421
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	\$ 282,421

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

**PUTNAM SOIL AND WATER CONSERVATION DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
SEPTEMBER 30, 2022**

<b>Total Fund Balances - Governmental Funds</b>	\$ 282,421
Amounts reported for governmental activities in the statement of net position are different because:	
Grant funds receivable recognized in the year received	-
Unearned grant revenue recognized as revenue in the year received in governmental funds.	<u>(154,000)</u>
<b>Total Net Position - Governmental Activities</b>	<u><u>\$ 128,421</u></u>

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

**PUTNAM SOIL AND WATER CONSERVATION DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2022**

	<u>General Fund</u>
<b>REVENUES</b>	
Intergovernmental:	
State	\$ 349,670
Miscellaneous:	
Other Revenue	6,549
Interest	25
<b>TOTAL REVENUES</b>	<b>356,244</b>
 <b>EXPENDITURES</b>	
Current:	
Conservation	275,160
<b>TOTAL EXPENDITURES</b>	<b>275,160</b>
 <b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	 81,084
 Fund Balances, October 1, 2021	 201,337
 <b>FUND BALANCES, SEPTEMBER 30, 2022</b>	 <b>\$ 282,421</b>

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

**PUTNAM SOIL AND WATER CONSERVATION DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES  
& CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

<b>Net Change in Fund Balance - Governmental Funds</b>	\$	81,084
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
Grant receivable recognized when received		(80,611)
Unassigned grant revenue recognized as revenue in the year received in governmental funds.		-
		<hr style="border: 1px solid black;"/>
<b>Change in Net Position - Governmental Activities</b>	<b>\$</b>	<b>473</b>
		<hr style="border: 3px double black;"/>

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

**PUTNAM SOIL AND WATER CONSERVATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A summary of the significant accounting policies as applicable to governmental units, which has been consistently, applied in the preparation of the financial statements of the various funds and account groups follows.

▪ Reporting Entity

The Putnam Soil and Water Conservation District was authorized under Chapters 582 of the Laws of Florida to promote conservation in Putnam County, Florida. District board members are nonpartisan and elected locally.

The District is an independent special district administered by a five member board of supervisors elected by the voters of Putnam County. The District for financial reporting purposes includes all of the funds relevant to the operation of the District. There are not separately administered organizations, which are controlled by, or dependent on the District. Control or dependence is determined on the basis of budget adoption, taxing authority, funding and appointment of the respective governing board. Therefore, in accordance with U.S. generally accepted accounting principles, the District has determined that there are no potential component units that it must include within its financial statements.

The purpose of the Putnam Soil and Water Conservation District is to “annually assess the condition of the soils and waters, both above and below ground, in Putnam County; to educate the public about the state of the soils and waters; and to promote and advocate conservation practices and policies which will benefit the soils and waters of the County.”

▪ Basis of Presentation

These financial statements are fund financial statements that have been prepared in conformity with the accounting principles and reporting guidelines established by the Governmental Accounting Standards Board (GASB) and accounting practices prescribed by the State of Florida, Office of the Auditor General.

The District reports the following major governmental fund:

General Fund – The General Fund is the general operating fund of the District. It is used to account for all financial resources, which are not properly accounted for in another fund. Activities related to the promotion of conservation practices flow through the General Fund.

▪ Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the fund financial statements and relates to the timing of the measurements made, regardless of the measurement focus applied.

**PUTNAM SOIL AND WATER CONSERVATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)**

All governmental fund financial statements are reported using a current financial resources measurement focus on a modified accrual basis of accounting. The major modifications to the accrual basis are : (a) revenues are recorded in the accounting period in which they become available and measurable (available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, considered to be sixty days for revenue) and (b) expenditures are recorded in the accounting period in which the liability is incurred, if measurable, except for accumulated sick and vacation compensation, which are expensed when paid.

▪ Measurement Focus

The accounting and financial reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus.

All governmental funds are accounted for on a spending or “financial flow” measurement focus. This means that generally, only current assets and current liabilities are included in the balance sheet. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they present a summary of sources and uses of “available spendable resources” during a period.

▪ Cash and Cash Equivalents

Cash and cash equivalents represent cash on hand as well as demand deposits, and certificates of deposit with original maturities of twelve months or less.

▪ Inventory and Prepaid Items

The purchase method is used to account for inventory and payments to vendors for costs applicable to future periods (prepaid). Under the purchase method, expenditures are recognized when the available financial resource is expended. Inventory is not deemed significant and therefore no amount has been reported.

▪ 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 these estimates.

▪ Governmental Fund Balances

Fund balances are classified either as nonspendable or spendable. Spendable fund balances are further classified in a hierarchy based on the extent to which there are external internal constraints on the spending of these fund balances. These classifications are described as follows:

**PUTNAM SOIL AND WATER CONSERVATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)**

***Nonspendable fund balances*** included amounts that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact. There were no nonspendable fund balances at the Putnam Soil and Water Conservation District as of September 30, 2022.

***Spendable fund balances*** are classified based on a hierarchy of the Putnam Soil and Water Conservation District's ability to control the spending of these fund balances.

*Restricted* fund balances are fund balance amounts that are constrained for specific purposes which are externally imposed by creditors, grantors, contributors, or laws or regulations or imposed by law through constitutional provisions or enabling legislation. As of September 30, 2022, the Putnam Soil and Water Conservation District had no restricted fund balances.

*Committed* fund balances are fund balances constrained for specific purposes imposed by the Putnam Soil and Water Conservation District's formal action of highest level of decision making authority. As of September 30, 2022, the Putnam Soil and Water Conservation District had no committed fund balances.

*Assigned* fund balances are fund balances intended to be used for specific purposes, but which are neither restricted nor committed. As of September 30, 2022, the Putnam Soil and Water Conservation District had no assigned fund balances as indicated on the Balance Sheet.

*Unassigned* fund balances represent the residual positive fund balance within the general fund, which has not been assigned to other funds and has not been restricted, committed or assigned. In funds other than the general fund, unassigned fund balances are limited to negative residual fund balances. As of September 30, 2022, the Putnam Soil and Water Conservation District had only unassigned fund balances.

When expenditures are incurred for purposes for which restricted or unrestricted fund classifications could be used, it is the Putnam Soil and Water Conservation District's policy to use restricted funds first, then unrestricted.

***Recently Issued and Implemented Accounting Pronouncements***

In June 2017, the GASB issued Statement No. 87 (GASB 87), *Leases*. The objective of GASB 87 is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. GASB 87 increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset.

**PUTNAM SOIL AND WATER CONSERVATION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)**

Under GASB 87, a lessee is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of GASB 87 are effective for reporting periods beginning after June 15, 2021. The implementation of GASB 87 resulted in the inclusion of a lease receivable, leases payable and right of use assets in the Statement of Net Position. See note 8 for further discussion on the restatement of beginning balances required for the implementation of GASB 87.

In June 2018, the GASB issued Statement No. 89 (GASB 89), *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. The implementation of GASB 89 did not result in any change in the County's financial statements.

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020* (GASB 92). The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the following:

- The effective date of Statement No. 87, *Leases*, and Implementation Guide No. 2019- 3, *Leases*, for interim financial reports,
- Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan,
- The applicability of Statements No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and amendments to Certain Provisions of GASB Statements 67 and 68*, as amended, and No. 74, *Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans*, as amended, to reporting assets accumulated for postemployment benefits,
- The applicability of certain requirements of Statement No. 84, *Fiduciary Activities*, to postemployment benefit arrangements,
- Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition,
- Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers,
- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature, and
- Terminology used to refer to derivative instruments.

**PUTNAM SOIL AND WATER CONSERVATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)**

The requirements of this Statement are effective as follows:

- The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance.
- The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2021.
- The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2021.
- The requirements related to the measurement of liabilities (and assets, if any) associated with asset retirement obligations in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2021.

The implementation of GASB 92 did not result in any significant change in the County's financial statements.

In May 2020, the GASB issued Statement No. 93 (GASB 93), *Replacement of Interbank Offered Rates*. The objectives of this Statement are to address financial reporting issues that result from the replacement of an Interbank Offered Rate (IBOR) by providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment and clarification of the hedge accounting termination provisions when a hedged item is amended to replace the reference rate; replacing LIBOR as an appropriate benchmark interest rate for the evaluation of the effectiveness of an interest rate swap with a Secured Overnight Financing Rate or the Effective Federal Funds Rate; and providing exceptions to the lease modifications guidance in GASB 87 for lease contracts that are amended solely to replace an IBOR used to determine variable payments.

The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2022. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2021. The implementation of GASB 93 did not result in any change in the County's financial statements.

In June 2020, the GASB issued Statement No. 97 (GASB 97), *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. The primary objectives of GASB 97 are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition

**PUTNAM SOIL AND WATER CONSERVATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)**

of a pension plan and for benefits provided through those plans. The requirements of GASB 97 are effective for fiscal years beginning after June 15, 2021. The implementation of GASB 97 did not result in any change in the County's financial statements.

In October 2021, the GASB issued GASB Statement No. 98 (GASB 98), *The Annual Comprehensive Financial Report*. This Statement establishes the term *annual comprehensive financial report* and its acronym *ACFR*. That new term and acronym replace instances of *comprehensive annual financial report* and its acronym in generally accepted accounting principles for state and local governments. This Statement was developed in response to concerns raised by stakeholders that the common pronunciation of the acronym for comprehensive annual financial report sounds like a profoundly objectionable racial slur. This Statement's introduction of the new term is founded on a commitment to promoting inclusiveness. The requirements of this Statement are effective for fiscal years ending after December 15, 2021. The implementation of GASB 98 did not result in any change in the County's financial statements.

***Pronouncements Issued But Not Yet Effective***

The GASB has issued statements that will become effective in future years. These statements are as follows:

In May 2019, the GASB issued Statement No. 91 (GASB 91), *Conduit Debt Obligations*. The primary objectives of GASB 91 are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. GASB 91 achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of GASB 91 are effective for reporting periods beginning after December 15, 2021.

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* (GASB 94). The objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

**PUTNAM SOIL AND WATER CONSERVATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)**

This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.

In May 2020, the GASB issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (GASB 96). This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Assets and liabilities resulting from SBITAs should be recognized and measured using the facts and circumstances that existed at the beginning of the fiscal year in which this Statement is implemented. Governments are permitted, but are not required, to include in the measurement of the subscription asset capitalizable outlays associated with the initial implementation stage and the operation and additional implementation stage incurred prior to the implementation of this Statement.

In April 2022, the GASB issued GASB Statement No. 99, *Omnibus 2022* (GASB 99). This Statement provides guidance on the following:

- Classification and reporting of derivative instruments within the scope of Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument
- Clarification of provisions in Statement No. 87, *Leases*, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives,
- Clarification of provisions in Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, related to (a) the determination of the PPP term and (b)
- recognition and measurement of installment payments and the transfer of the underlying PPP asset,
- Clarification of provisions in Statement No. 96, *Subscription-Based Information Technology Arrangements*, related to the SBITA term, classification of a SBITA as a short-term SBITA, and recognition and measurement of a subscription liability,
- Extension of the period during which the LIBOR is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt,
- Accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP),

**PUTNAM SOIL AND WATER CONSERVATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)**

- Disclosures related to nonmonetary transactions,
- Pledges of future revenues when resources are not received by the pledging government,
- Clarification of provisions in Statement No. 34, Basic Financial Statements— and Management's Discussion and Analysis—for State and Local Governments, as amended, related to the focus of the government-wide financial statements,
- Terminology updates related to certain provisions of Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, and
- Terminology used in Statement 53 to refer to resource flows statements.

The requirements of this Statement are effective as follows:

- The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance.
- The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.
- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

In June 2022, the GASB issued GASB Statement No. 100, *Accounting Changes and Error Corrections* (GASB 100). This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The requirements of this Statement for changes in accounting principles apply to the implementation of a new pronouncement in absence of specific transition provisions in the new pronouncement. This Statement also requires that the aggregate amount of adjustments to and restatements of beginning net position, fund balance, or fund net position, as applicable, be displayed by reporting unit in the financial statements.

This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). For periods that are earlier than those included in the basic financial statements, information presented in RSI or SI should be restated for error corrections, if practicable, but not for changes in accounting principles. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

**PUTNAM SOIL AND WATER CONSERVATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)**

In June 2022, the GASB issued GASB Statement No. 101, *Compensated Absences* (GASB 101). The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (as long as they identify it as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

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

**NOTE 2 – BUDGETARY COMPLIANCE AND ACCOUNTABILITY**

The District adopts an annual budget prior to the beginning of the next fiscal year based on historical data plus knowledge of current and future events. As the year progresses, the budget is reviewed and amended if the need occurs.

**NOTE 3 – CASH AND CASH EQUIVALENTS**

Cash and cash equivalents at September 30, 2022 consisted of \$282,421 maintained in local checking accounts. This depository qualifies as a "public depository", as required by law (Florida Security for Public Deposits Act Chapter 280, Florida Statutes). All the cash deposits of the Putnam Soil and Water Conservation District are classified as category one risk, which means they are insured or collateralized.

**NOTE 4 – DEPOSITS**

At September 30, 2022, the District's carrying amount was \$282,421 and bank balance was \$282,421, consisting entirely of demand deposits. The entire amount of the demand deposits is deposited in a state of Florida qualified depository and, therefore, is fully collateralized.

Custodial Credit Risk is the risk that in the event of a bank failure the government's deposits may not be returned to it. The Authority's monies must be deposited in banks designated as qualified public depositories by the Chief Financial Officer, Florida Department of Financial Services. Therefore, the Authority's total deposits are insured by the Federal Depository Insurance Corporation and collateralized by the Bureau of Collateral Management, Division of Treasury, and Florida Department of Financial Services. The law requires the Chief Financial Officer to ensure that funds are entirely collateralized throughout the fiscal year. Other than the preceding, the Authority has no policy on custodial credit risk.

**PUTNAM SOIL AND WATER CONSERVATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 4 – DEPOSITS (continued)**

Collateral is provided for demand deposits through the Florida Security for Public Deposits Act. This law establishes guidelines for qualification and participation by banks and savings associations, procedures for the administration of the collateral requirements, and characteristics of eligible collateral. Under this law, the qualified public depository must pledge at least 25% of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance.

Additional collateral, up to a maximum of 150%, may be required if deemed necessary under the conditions set forth in this law. Eligible collateral consists of obligations of the United States and its agencies and obligations of states and their local political subdivisions and unaffiliated corporations.

Obligations pledged to secure deposits must be delivered to the Department of Financial Services or, with the approval of the Chief Financial Officer, to a bank, savings association, or trust company provided a power of attorney is delivered to the Chief Financial Officer. On a monthly basis, the Chief Financial Officer determines that the collateral has a market value adequate to cover the deposits under the provisions of this law.

**NOTE 5 – RISK MANAGEMENT**

The Putnam Soil and Water Conservation District is exposed to various risk of loss related to torts; thefts of, damage to property of others. The Putnam Soil and Water Conservation District purchases insurance to protect itself against these risks.

**NOTE 6 – SIGNIFICANT FUNDING SOURCE**

During the fiscal year ended September 30, 2022, the District received a substantial amount of its funding from the State of Florida. Significant reductions in the level of this funding, if this were to occur, could have an adverse effect on the District's programs and activities.

**NOTE 7 – POST EMPLOYMENT BENEFITS OTHER THAN PENSION**

No post-employment benefits were provided by the District.

**NOTE 8 – GASB STATEMENT NO. 87, LEASES**

In June 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87, *Leases*. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financing of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

The District has not entered in to any leases.

**PUTNAM SOIL AND WATER CONSERVATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 9 – CONTINGENCIES**

Amounts received from grantor agencies are subject to audit and adjustment by grantor agencies, principally the State of Florida. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed.

**NOTE 10 – SUBSEQUENT EVENTS**

The District has evaluated events and transactions for potential recognition or disclosure in the financial statements through June 3, 2023, the date which the financial statements were available to be issued. No subsequent events have been recognized or disclosed.

**PUTNAM SOIL AND WATER CONSERVATION DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE -  
GENERAL AND MAJOR SPECIAL REVENUE FUNDS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

	General Fund			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>REVENUES</b>				
Intergovernmental	\$ 440,000	\$ 440,000	\$ 349,670	\$ (90,330)
Miscellaneous:				
Other Revenue	-	-	6,549	6,549
Interest	-	-	25	25
<b>TOTAL REVENUE</b>	<b>440,000</b>	<b>440,000</b>	<b>356,244</b>	<b>(83,756)</b>
<b>EXPENDITURES</b>				
Conservation:				
Dues and Fees	-	-	1,107	(1,107)
Other Expense	-	-	4,575	(4,575)
Awards	4,000	4,000	360	3,640
Grant Related Expense	436,000	436,000	268,859	167,141
Insurance	-	-	259	(259)
<b>TOTAL EXPENDITURES</b>	<b>440,000</b>	<b>440,000</b>	<b>275,160</b>	<b>164,840</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>81,084</b>	<b>81,084</b>
Fund Balances, October 1, 2021	-	-	201,337	201,337
<b>FUND BALANCES, SEPTEMBER 30, 2022</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 282,421</b>	<b>\$ 282,421</b>

See Independent Auditor's Report

**JAMES E. DAVIS, CPA**

1733 Old Plank Road  
Crawfordville, FL 32327  
Phone: (850) 445-5878

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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors  
Putnam Soil and Water Conservation District  
Palatka, Florida

I have audited the financial statements of Putnam Soil and Water Conservation District, Florida (the District), as of and for the year ended September 30, 2022, and have issued my report thereon dated June 3, 2023. I conducted my 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.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the District's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, I do not express an opinion on the effectiveness of the District's internal control.

My 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 management letter, I identified certain deficiencies in internal control that I consider to be material weaknesses.

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 misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. During my audit I did not identify any deficiencies in internal control that I consider to be a significant deficiency. However, significant deficiencies may exist that have not been identified.

### Compliance and Other Matters

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

I noted certain other matters that were reported to the District in a separate letter dated June 3, 2023.

### District's Response to Findings

The District's responses to the findings identified in my audit are included in the accompanying management letter. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on them.

### Purpose of this Report

The purpose of this report is solely to describe the scope of my 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.

*James E. Davis*  
Certified Public Accountant

June 3, 2023

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Crawfordville, FL 32327  
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**INDEPENDENT AUDITOR'S REPORT ON DISTRICT'S COMPLIANCE WITH SECTION 218.415  
FLORIDA STATUTES, REGARDING THE INVESTMENT OF PUBLIC FUNDS**

Putnam Soil and Water Conservation District  
Palatka, Florida

I have examined the Putnam Soil and Water Conservation District's (the District) 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 the District's compliance with those requirements. My responsibility is to express an opinion on the District's compliance based on my examination.

My examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and, accordingly, included examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my examination provides a reasonable basis for my opinion. My examination does not provide a legal determination on the District's compliance with specified requirements.

In my opinion, the 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.

*James E. Davis*  
Certified Public Accountant

June 3, 2023

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## **INDEPENDENT AUDITOR'S MANAGEMENT LETTER**

Putnam Soil and Water Conservation District  
Palatka, Florida

### **Report on the Financial Statements**

I have audited the financial statements of Putnam Soil and Water Conservation District as of and for the fiscal year ended September 30, 2022 and have issued my report thereon dated June 3, 2023.

### **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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.550, Rules of the Auditor General.

### **Other Reports and Schedules**

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*; Independent Auditor's Report on Compliance for Each Major Federal Program and 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*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated, June 3, 2023, should be considered in conjunction with this management letter.

### **Prior Year 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. I reported the following finding and recommendation, which Putnam Soil and Water Conservation District has been unable to address due to financial constraints, in the preceding annual financial report:

16-01 Financial Statement Preparation Knowledge –

Criteria – Management is responsible for the preparation of financial statements in accordance with generally accepted accounting principles (GAAP).

Condition – The Auditing Standards Board in Statement No. 115 requires auditors to disclose for reports substantially drafted by external auditors whether or not the entity's institutional experience, background and knowledge of Governmental Accounting and Financial Accounting Standards – prohibits the entity from preparing the financial statements internally including full note disclosures as required by those standards.

Cause and Effect – Personnel’s lack of knowledge and familiarity with Governmental Accounting and Financial Accounting Standards Prohibits the District from being able to prepare financial statements with adequate and proper disclosures and free of material misstatements.

Recommendation – I would encourage Putnam Soil and Water Conservation District personnel to increase their knowledge of these standards sufficiently to allow them to prepare financial statements including the notes in accordance with GAAP.

Management Response – This requirement is a burden to small districts and funding does not allow us to employ personnel with accounting background described above. The Board believes the internal control system is adequate to protect the District’s assets.

**Note: As a small entity with limited funding, the Putnam Soil and Water Conservation District will continue to have this finding.**

### **Current Audit Findings**

There were no additional Current year audit findings.

### **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 contained in the footnotes.

### **Financial Condition**

Section 10.554(1)(i)5.a., Rules of the Auditor General, requires that I report the results of my determination as to whether or not Putnam Soil and Water Conservation 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 Putnam Soil and 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.c. ad 10.556(8), Rules of the Auditor General, I applied financial condition assessment procedures. It is management’s responsibility to monitor Putnam Soil and Water Conservation District’s financial condition, and my financial condition assessment was based in part on representations made by management and the review of financial information provided by the same.

### **Special District Component Units**

Section 10.554(1)(i)5.c., 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. The District does not include any special district component units.

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

- a. The total number of district employees compensated in the last pay period of the District's fiscal year is 1.
- b. The total number of independent contracts to whom nonemployee compensation was paid in the last month of the District's fiscal year was 0.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency is \$6,548.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency was \$0.
- e. There are no construction projects with a total cost of at least \$65,000 approved by the District that are scheduled to begin on or after October 1<sup>st</sup> of the fiscal year being reported.
- 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, see page 18 of the financial statements.

### **Annual Financial Report**

Section 10.554(1)(i)5.b., Rules of the Auditor General, requires that I report the results of my determination as to whether the amended annual financial report for Putnam Soil and Water Conservation District for the fiscal year ended September 30, 2022, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(1), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2022. In connection with my audit, I determined that these two reports were in agreement.

### **Other Matters**

Section 10.554(1)(i)2., Rules of the Auditor General, requires that I address in the management letter any recommendations to improve financial management. In connection with my audit, I did not have any such recommendations.

Section 10.554(1)(i)3., Rules of the Auditor General, requires that I address 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, Putnam Soil and Water Conservation District, and applicable management and is not intended to be and should not be used by anyone other than these specified parties.

*James E. Davis*  
Certified Public Accountant

June 3, 2023

**ADDITIONAL REPORTS PREPARED IN ACCORDANCE  
WITH THE PROVISIONS OF THE OFFICE OF MANAGEMENT  
AND BUDGET (OMB) CIRCULAR A-133 AND  
THE RULES OF THE AUDITOR GENERAL  
OF THE STATE OF FLORIDA**

**PUTNAM SOIL AND WATER CONSERVATION DISTRICT  
 SCHEDULE OF STATE FINANCIAL ASSISTANCE  
 FOR THE YEAR ENDS SEPTEMBER 30, 2022**

STATE AGENCY/PASS THROUGH ENTITY/PROJECT	CFDA/CFSA NUMBER	CONTRACT/GRANT NUMBER	EXPENDITURES
<hr/>			
Florida Department of Agriculture and Consumer Services			
Agricultural Nonprofit Source Best Management Practices Implementation			
Agricultural Water Quality and Quantity	42.017	27689	<u>268,859</u>
			<u>\$ 268,859</u>

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS- STATE PROJECTS  
FISCAL YEAR ENDED SEPTEMBER 30, 2022**

**A. SUMMARY OF AUDITOR'S RESULTS**

1. The auditor's report expresses an unqualified opinion on the general purpose financial statements of Putnam Soil and Water Conservation District.
2. No significant deficiencies were reported in the Independent Auditor's report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of the General Purpose Financial Statements Performed in Accordance with Government Auditing Standards.
3. No instances of noncompliance material to the financial statements of Putnam Soil and Water Conservation District were disclosed during the audit.
4. The audit disclosed no significant deficiencies in internal control over any major federal program and state project.
5. The report on compliance with requirements applicable to the major state projects expressed an unqualified opinion.
6. The audit disclosed no findings related to the major state projects.
7. The District had no major state program.
8. The threshold for distinguishing Type A and Type B project was \$300,000 for major state projects.

**B. FINDINGS – FINANCIAL STATEMENTS**

See Management Letter for discussion of recommendations resulting from audit of financial statement.

Management response is included in the Management Letter.

**C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL PROGRAM AND STATE PROJECTS**

None

**D. OTHER ISSUES**

1. No Summary Schedule of Prior Audit Findings is required as there were no prior audit findings related to Federal programs or State projects.
2. No Corrective Action Plan is required because there were no findings required to be reported under the Federal or Florida Single Audit Acts.