PUTNAM SOIL AND WATER CONSERVATION DISTRICT

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

SEPTEMBER 30, 2025

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND INTERNAL CONTROL OVER COMPLIANCE APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT 34

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INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

To the Governing Board
Putnam Soil and Water Conservation District

Report on the Audit of the Financial Statements

Opinions

I have audited the accompanying financial statements of the governmental activities and each Major Fund of Putnam Soil and Water Conservation District, Florida (the "District") as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and each major fund of the District as of September 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. 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.

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 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

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 my opinions. Reasonable assurance is a high level of assurance but it not absolute assurance and therefore is not a guarantee that an audit is 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 the 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 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 the Putnam 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 the Putnam 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:

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 21 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. The schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative*

Requirements, Cost Principles, and Audit Requirements for Federal Awards, and Chapter 10.550, Local Government Audits, *Rules of the Auditor* General of the State of Florida, and neither schedule is 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 supplemental information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

In connection with my audit of the basic financial statements, my responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If based, on the work performed, I conclude that an uncorrected material misstatement of the other information exists, I am required to describe it in my report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued a report dated June 5, 2026 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 effectiveness of Putnam Soil and 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 the District's internal control over financial reporting and compliance.

James Davis

Certified Public Accountant

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 9 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, 2025.

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 2024-25 fiscal year are as follows:

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year by $492,225.
- The District's total net position, increased by $347,711, which represents a 492.22 percent increase from the 2023-24 fiscal year.
- As of the close of the current year the General Fund showed an increase of $501,711 in comparison with the prior year.
- During the current year, General Fund revenues were more than expenditures by $501,711.

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 resource 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, 2025.

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

NET POSITION - END OF YEAR
Governmental Activities

	9/30/2024	9/30/2025
Current and Other Assets	$ 298,514	$ 646,225
Total Assets	$ 298,514	$ 646,225
Current Liabilities	$ 154,000	$ 154,000
Total Liabilities	154,000	154,000
Net Position:		
Restricted	-	-
Unrestricted	144,514	492,225
Total Net Position	$ 144,514	$ 492,225

The key elements of the changes in the District's net position for the fiscal year ended September 30, 2025 is as follows:

Operating Results Governmental Activities

	9/30/2024	9/30/2025
Program Revenues		
Operating Grants	$ 560,401	$ 1,961,930
General Revenues		
Other Revenue	-	-
Interest	239	250
Total Revenue	560,640	1,962,180
Functions/Program Expenses:		
Conservation	556,779	1,618,090
Total Functions/Program Expenses	556,779	1,618,090
Increase (Decrease) in Net Position	$ 3,861	$ 344,090

Governmental activities increased the District's net position by $344,090, or approximately 238.10 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 $488,604, while the total fund balance was $488,604. 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 331.16 percent of total General Fund expenditures, while total fund balance increased $344,090 during the year ended September 30, 2025.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the course of the 2024-25 fiscal year, the District did not amend its General Fund budget. At the same time, final expenses were more than of the original budgeted amounts by $964,090.

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, 2025

	Governmental Activities
ASSETS	
Cash & Cash Equivalents	$ 646,225
Total Assets	$ 646,225
LIABILITIES	
Unearned Grant Revenue - advances	$ 154,000
NET ASSETS	
Unrestricted	492,225
Total Net Position	492,225
TOTAL LIABILITIES AND NET POSITION	$ 646,225

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, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue & Changes in Net Assets: Governmental Activities
Governmental Activities:					
Conservation	$ 1,614,469	$ -	$ 1,961,930	$ -	$ 347,461
Total Government Activities	$ 1,614,469	$ -	$ 1,961,930	$ -	$ 347,461
General Revenues:					
Investment Earnings					250
Other Income					-
Total General Revenue					250
Change in Net Position					347,711
Net Position -October 1, 2024					144,514
Net Position - September 30, 2025					$ 492,225

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, 2025

	General Fund
ASSETS	
Cash & Cash Equivalents	$ 646,225
TOTAL ASSETS	$ 646,225
LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts Payable	$ -
Total Liabilities	-
Fund Balances:	
Unassigned	646,225
Total Fund Balances	646,225
TOTAL LIABILITIES AND FUND BALANCES	$ 646,225

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, 2025

Total Fund Balances - Governmental Funds	$	646,225
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.		(154,000)
Total Net Position - Governmental Activities	$	492,225

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, 2025

	General Fund
REVENUES	
Intergovernmental:	
State	$ 1,961,930
Miscellaneous:	
Interest	250
Other Income	-
TOTAL REVENUES	1,962,180
EXPENDITURES	
Current:	
Conservation	1,460,469
TOTAL EXPENDITURES	1,460,469
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	501,711
Fund Balances, October 1, 2024	144,514
FUND BALANCES, SEPTEMBER 30, 2025	$ 646,225

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
4FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

Net Change in Fund Balance - Governmental Funds	$	501,711
Amounts reported for governmental activities in the statement of activities are different because:		
Grant receivable recognized when received		-
Unassigned grant revenue recognized as revenue in the year received in governmental funds.		(154,000)
Change in Net Position - Governmental Activities	$	347,711

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, 2025

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 and Legal Authority

  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 was established January 22, 1945 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 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:

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)

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.

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 measureable (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 measureable, 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.

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)

- 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:

  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, 2025.

  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, 2025, 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.

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)

As of September 30, 2025, 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, 2025, 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, 2025, 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.

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, 2025 consisted of $646,225 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.

At September 30, 2025, the District's carrying amount was $646,225 and bank balance was $646,225, 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.

NOTE 4 – DEPOSITS

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.

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, 2025, 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.

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 5, 2026, 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, 2025

	General Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Intergovernmental	$ 500,000	$ 500,000	$ 1,961,930	$ 1,461,930
Miscellaneous:				
Interest	-	-	250	250
Miscellaneous Income	-	-	-	-
TOTAL REVENUE	500,000	500,000	1,962,180	1,462,180
EXPENDITURES				
Conservation:				
Dues and Fees	-	-	330	(330)
Other Expense	-	-	17,513	(17,513)
Awards	4,000	4,000	555	3,445
Grant Related Expense	496,000	496,000	1,441,265	(945,265)
Insurance	-	-	806	(806)
TOTAL EXPENDITURES	500,000	500,000	1,460,469	(960,469)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	501,711	501,711
Fund Balances, October 1, 2024	-	-	144,514	144,514
FUND BALANCES, SEPTEMBER 30, 2025	$ -	$ -	$ 646,225	$ 646,225

See Independent Auditor's Report

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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, 2025, and have issued my report thereon dated June 5, 2026. 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 prior year material weaknesses, as identified in the Management Letter (finding 16-01).

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 no other matters that were reported to the District in a separate letter dated June 5, 2026.

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 Davis
Certified Public Accountant

June 5, 2026

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

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 Statues, Local Government Investment Policies, during the year ended September 30, 2025. 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, 2025.

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 Davis
Certified Public Accountant

June 5, 2026

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

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, 2025 and have issued my report thereon dated June 5, 2026.

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 5, 2026, 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 on Page 15.

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 Statues. 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 Statues. 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 $6,711.

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 1st 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 25 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, 2025, 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, 2025. 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 Davis

June 5, 2026 Certified Public Accountant

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, 2025

STATE AGENCY/PASS THROUGH ENTITY/PROJECT	CFDA/CFSA NUMBER	CONTRACT/GRANT NUMBER	EXPENDITURES
Florida Department of Agriculture and Consumer Services			
Agricultural Nonprofit Source Best Management Practices Implementation			
Agricultural Water Quality and Quantity	42.017	27689	1,961,930
			$ 1,961,930

SCHEDULE OF FINDINGS AND QUESTIONED COSTS- STATE PROJECTS
FISCAL YEAR ENDED SEPTEMBER 30, 2025

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 one major state program (Project #27689-FDACS).

8. The threshold for distinguishing Type A and Type B project was $588,579 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 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.

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

To Putnam Soil and Water Conservation District

Report on Compliance for Each Major Federal Program and State Project

I have audited the Putnam Soil and Water Conservation District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement*, and the requirements described in the *Department of Financial Services'* State Projects Compliance Supplement, that could have a direct and material effect on each of Putnam Soil and Water Conservation District's major Federal programs and State projects for the year ended September 30, 2025. The Putnam Soil and Water Conservation District's major Federal programs and State projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with Federal and State Statues, regulations, and the terms and conditions of its Federal awards and State projects applicable to its Federal programs and State projects.

Auditor's Responsibility

My responsibility is to express an opinion on compliance for each of the Putnam Soil and Water Conservation District's major Federal programs and State projects based on my audit of the types of compliance requirements referred to above. I conducted my 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; the audit requirements of Title 2 U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements' Cost Principles,* and *Audit Requirements for Federal Awards* (Uniform Guidance); Chapter **10.550**, Rules of the Auditor General. Those standards, the Uniform Guidance, and Chapter **10.550**, Rules of the Auditor General, require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program or State project occurred.

An audit includes examining, on a test basis, evidence about the Putnam Soil and Water Conservation District's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

I believe that my audit provides a reasonable basis for my opinion on compliance for each major Federal program and State project. However, my audit does not provide a legal determination of the Putnam Soil and Water Conservation District's compliance.

Opinion on Each Major Federal Program and State Project

In my opinion, the Putnam Soil and Water Conservation 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 Federal programs and State projects for the year ended September 30, 2025.

Report on Internal Control Over Compliance

Management of the Putnam Soil and Water Conservation District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing my audit of compliance, I considered the Putnam Soil and Water Conservation District's internal control over compliance with the types of requirements that could have a direct and material effect on each major Federal program or State project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major Federal program and State project and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter **10.550**, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the Putnam Soil and Water Conservation District's 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 Federal program or 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 Federal program or 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 as a combination of deficiencies, in internal control over compliance with the type of compliance requirement of a Federal program or 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.

My consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses, or significant deficiencies. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

James Davis
Certified Public Accountant

June 10, 2026