

**HARDEE SOIL AND WATER CONSERVATION DISTRICT**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED SEPTEMBER 30, 2020**



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**HARDEE SOIL AND WATER CONSERVATION DISTRICT  
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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Hardee Soil and Water Conservation District  
Wauchula, Florida

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

We have audited the accompanying financial statements of the governmental activities and the General Fund of the Hardee Soil and Water Conservation District (District), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility 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.

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the General Fund of the District as of September 30, 2020, and the respective changes in financial position and the budgetary comparison of the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 to 6 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The schedule of expenditures of state financial assistance, as required by Chapter 10.550, *Local Governmental Entity Audits*, Rules of the Auditor General of the State of Florida, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of expenditures of state financial assistance is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Board of Directors  
Hardee Soil and Water Conservation District

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 23, 2021, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

**CliftonLarsonAllen LLP**

Sebring, Florida  
March 23, 2021

**HARDEE SOIL AND WATER CONSERVATION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2020**

The Hardee Soil and Water Conservation District's (District) management discussion and analysis is intended to provide a narrative introduction to the basic financial statements and an analytical overview of the District's financial activities for the fiscal year ending September 30, 2020.

**OVERVIEW OF THE FINANCIAL STATEMENT**

The basic financial statements consist of three components: 1) government-wide financial statements providing information about the activities of the District as a whole; 2) fund financial statements; and, 3) notes to the financial statements.

*Government-wide Financial Statements* – The government-wide financial statements are designed to provide a broad overview of the District's finances in a manner similar to a private-sector business. The government-wide statements provide information about the District's financial status as a whole. These statements include details of general revenue during the year and a breakdown by category of expenses. The statements include *all* assets and liabilities using the accrual basis of accounting. This means that all of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's net position and changes in net position. The net position – the difference between assets and liabilities – is an important measure of the District's financial health.

*Fund Financial Statements* – The fund financial statements provide a detailed look at the District's general fund. The District, like all government entities, uses fund accounting to ensure and reflect compliance (or noncompliance) with finance related legal requirements. The District uses one fund, a governmental general fund, which focuses on 1) how cash and other financial assets, that can readily be converted to cash, flow in and out; and, 2) the balances left at year-end that are available for spending. Consequently, the general fund statements provide a detailed short-term view that indicates whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

**HARDEE SOIL AND WATER CONSERVATION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2020**

**FINANCIAL HIGHLIGHTS**

As noted above, net position may serve, over time, as a useful indicator of a government's financial position. The following schedules provide a summary of assets, liabilities, and net position and changes in net position of the District:

**Hardee Soil and Water Conservation District  
Net Position**

	2020	2019	Increase (Decrease)
Cash and Cash Equivalents	\$ 235,305	\$ 204,848	\$ 30,457
Certificates of Deposit	101,550	101,094	456
Due from Other Government	-	11,009	(11,009)
Total Assets	<u>336,855</u>	<u>316,951</u>	<u>19,904</u>
Accounts Payable	-	10,485	(10,485)
Total Liabilities	<u>-</u>	<u>10,485</u>	<u>(10,485)</u>
Restricted for Physical Environment	144,859	145,621	(762)
Unrestricted	191,996	160,845	31,151
Total Net Position	<u>\$ 336,855</u>	<u>\$ 306,466</u>	<u>\$ 30,389</u>

**Hardee Soil and Water Conservation District  
Changes in Net Position**

	2020	2019	Increase (Decrease)
<b>REVENUES</b>			
Charges for Services	\$ -	\$ 135	\$ (135)
Operating Grants and Contributions	1,053,773	702,656	351,117
Miscellaneous Revenue	51	-	51
Interest Income	532	1,173	(641)
Total Revenues	<u>1,054,356</u>	<u>703,964</u>	<u>350,392</u>
<b>EXPENSES</b>			
Physical Environment	<u>1,023,967</u>	<u>686,292</u>	<u>337,675</u>
<b>CHANGES IN NET POSITION</b>	30,389	17,672	12,717
Net Position - Beginning of Year	<u>306,466</u>	<u>288,794</u>	<u>17,672</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 336,855</u>	<u>\$ 306,466</u>	<u>\$ 30,389</u>

**HARDEE SOIL AND WATER CONSERVATION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2020**

**FINANCIAL HIGHLIGHTS (CONTINUED)**

- Total assets increased by \$19,904 from the prior year primarily due to the excess of revenues over expenditures in the current year.
- Total liabilities decreased by \$10,485 from the prior year due to timing of payables at year-end.
- Total revenue increased by \$350,392 from the prior year primarily due to increased project expenditures and the related reimbursements.
- Total expenses increased by \$337,675 from the prior year due to more expense related to the participant projects completed during the current year.
- The District has no capital assets or long-term debt.

**BUDGETARY HIGHLIGHTS**

Budget and actual comparison schedules are provided in the Basic Financial statements for the General Fund. The budget and actual comparison schedule shows the original adopted budget, the final revised budget, actual results, and variance between final budget and actual results. After the original budget is approved, it may be revised for a variety of reasons such as unforeseen circumstances or unanticipated revenues. Expenditures were within the final adopted budget.

**ECONOMIC FACTORS**

Grant and contract services are expected to continue to be consistent with past years; although the District will seek new opportunities during the new fiscal year.

**REQUESTS FOR INFORMATION**

If you have any questions concerning the Basic Financial Statements or other accounting information in this report, please contact the District at:

Hardee Soil and Water Conservation District  
316 North 7<sup>th</sup> Avenue, Suite 101  
Wauchula, FL 33873



**HARDEE SOIL AND WATER CONSERVATION DISTRICT  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2020**

**ASSETS**

Cash and Cash Equivalents	\$ 235,305
Investments	101,550
Total Assets	<u>336,855</u>

**NET POSITION**

Restricted for Physical Environment	144,859
Unrestricted	191,996
Total Net Position	<u>\$ 336,855</u>

*See accompanying Notes to Financial Statements.*

**HARDEE SOIL AND WATER CONSERVATION DISTRICT  
STATEMENT OF ACTIVITIES  
YEAR ENDED SEPTEMBER 30, 2020**

<u>Functions/Programs</u>	Program Revenues			Net (Expense)
<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Revenue and Changes in Net Position</u>
Primary Government:				
Governmental Activities:				
Physical Environment	\$ 1,023,967	\$ -	\$ 1,053,773	\$ -
Total Governmental Activities	\$ 1,023,967	\$ -	\$ 1,053,773	\$ -
General Revenues:				
Miscellaneous Revenue				51
Interest Income				532
Change in Net Position				30,389
Net Position - Beginning of Year				306,466
Net Position - End of Year				\$ 336,855

See accompanying Notes to Financial Statements.

**HARDEE SOIL AND WATER CONSERVATION DISTRICT  
BALANCE SHEET  
SEPTEMBER 30, 2020**

**ASSETS**

Cash and Cash Equivalents	\$ 235,305
Investments	<u>101,550</u>
Total Assets	<u><u>\$ 336,855</u></u>

**LIABILITIES AND FUND BALANCE**

**FUND BALANCE**

Restricted for Physical Environment	\$ 144,859
Unassigned	<u>191,996</u>
Total Fund Balance	<u><u>336,855</u></u>
Total Liabilities and Fund Balance	<u><u>\$ 336,855</u></u>

*See accompanying Notes to Financial Statements.*

**HARDEE SOIL AND WATER CONSERVATION DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – BUDGET TO ACTUAL  
YEAR ENDED SEPTEMBER 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 578,052	\$ 1,578,052	\$ 1,053,773	\$ (524,279)
Charges for Services	1,830	1,830	-	(1,830)
Miscellaneous Revenue	-	-	51	51
Interest	-	-	532	532
Total Revenues	<u>579,882</u>	<u>1,579,882</u>	<u>1,054,356</u>	<u>(525,526)</u>
<b>EXPENDITURES</b>				
Physical Environment	<u>579,882</u>	<u>1,579,882</u>	<u>1,023,967</u>	<u>555,915</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	30,389	30,389
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>306,466</u>	<u>306,466</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 336,855</u>	<u>\$ 336,855</u>

See accompanying Notes to Financial Statements.

**HARDEE SOIL AND WATER CONSERVATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Hardee Soil and Water Conservation District (District) conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant accounting principles and policies used in the preparation of these financial statements.

**Reporting Entity**

The District was established in 1944 in accordance with Chapter 582.10 of the Florida Statutes. The purpose of the District is to help conserve soil and water resources.

The District, as authorized by Chapter 582 of the Florida Statutes, was created for the purpose of controlling or preventing soil erosion and preventing floodwater and sediment damages, and to further the conservation, development, and utilization of soil and water resources and the disposal of water. The District conducts surveys, investigations, research, and demonstrations, within the District's boundaries in order to foster improvements by which soil and water resources are conserved and utilized.

**Basis of Presentation**

The District complies with accounting standards established by the Governmental Accounting Standards Board (GASB).

**Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the District. The District reports only governmental activities; it does not have any business-type activities. Governmental activities are supported largely by operating grants. Operating grants are reported as program revenues, and miscellaneous and interest income are reported as general revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those clearly identifiable with a specific function. Program revenues consist of grants and contributions that are restricted to meeting operational or capital requirements of a particular function. Other items not properly included as program revenues are reported as general revenues.

**Fund Financial Statements**

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by a providing separate set of self-balancing accounts that comprises its assets, liabilities, deferred inflows of resources, fund balance, revenues and expenditures/expenses. Government resources are allocated to, and accounted for, in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The purposes of the District's funds are as follows:

**HARDEE SOIL AND WATER CONSERVATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fund Financial Statements**

***Governmental Fund***

- **General Fund** – This fund is used to account for the accumulation and expenditure of resources that are not required to be accounted for in another fund.

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

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

Governmental fund financial statements are reported using the financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities for the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting.

The District is a single program government, devoted to physical environment. It is comprised of a General Fund only and has no other governmental, proprietary or fiduciary funds. The General Fund is the general operating fund and accounts for all the resources of the District.

**Budgetary Requirements**

The District followed the procedures provided by Florida Statutes in establishing final budget balances reported on the financial statements:

- Budgets are prepared, public hearings are held, and original budgets are adopted annually for governmental fund types in accordance with procedures and time intervals prescribed by law.
- Budgets are prepared for the governmental funds on a basis consistent with accounting principles generally accepted in the United States of America.
- Final budget amounts reported are based upon the final amended budget.

**HARDEE SOIL AND WATER CONSERVATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Net Position**

Net position represents the difference between assets and liabilities. The District may report three categories of net position, as follows: investment in capital assets, restricted net position, and unrestricted net position. Investment in capital assets consist of net capital assets. Restricted net position represents constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through state statute. Unrestricted net position consists of all other net position that does not meet the definition of the other two components and are available for general use by the District. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted as needed.

**Fund Balance and Spending Policy**

Governments are required to classify fund balance in governmental funds as nonspendable, restricted, committed, assigned, and unassigned.

- Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- Restricted – amounts that can only be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- Committed – includes amounts that can be used for specific purposes determined by a formal action of the government's highest level of decision-making authority.
- Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the District's adopted policy, only the board may assign amounts for specific purposes.
- Unassigned – includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose.

The board has implemented fund balance and spending policies to clearly define the process for tracking the various classifications of fund balance. The policy states when an expenditure is incurred in which restricted, committed, assigned, or unassigned amounts are available to be used, the board will first use restricted amounts, then committed amounts, then assigned amounts, and finally unassigned amounts, unless the District has provided otherwise in its commitment or assignment actions.

**Cash and Cash Equivalents**

Cash and cash equivalents include demand deposits, investments with original maturities of three months or less from the date of acquisition and cash on hand.

**HARDEE SOIL AND WATER CONSERVATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Investments**

The District invests surplus funds in accordance with Section 218.415, Florida Statutes. Investments in the current year are held in certificates of deposit that have original maturities of more than three months.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, as applicable to government entities, requires management to make use of estimates that affect the reported amounts in the financial statements. Actual results could differ from estimates.

**NOTE 2 DEPOSITS**

At September 30, 2020, the District's carrying amount was \$336,855 and bank balance was \$336,855, 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.

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.



**HARDEE SOIL AND WATER CONSERVATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2020**

**NOTE 3 RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts, theft of assets, errors and omissions, and natural disasters. The District has not purchased any commercial insurance and currently retains the risk of any loss.

**NOTE 4 CONCENTRATIONS**

The District received a substantial portion of its revenues from various grants. Grant funding may be significantly impacted by budget allocations and, consequently, changes in that funding may affect the District's operations. For the year ended September 30, 2020, the Florida Department of Agriculture and Consumer Services provided 99.9% of total revenues.

**HARDEE SOIL AND WATER CONSERVATION DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
YEAR ENDED SEPTEMBER 30, 2020**

<u>State Grantor/Pass through Grantor/Project Title</u>	<u>State CSFA Number</u>	<u>Pass Through Entity Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>State Expenditures</u>
<b>Florida Department of Agriculture and Consumer Services</b>				
Agricultural Nonpoint Source Best Management Practices Implementation	42.017	024398	\$ -	\$ 987,304
Agricultural Nonpoint Source Best Management Practices Implementation	42.017	024327	-	<u>67,248</u>
Total Florida Department of Agriculture and Consumer Services			<u>-</u>	<u>1,054,552</u>
Total Expenditures of State Financial Assistance			<u>\$ -</u>	<u>\$ 1,054,552</u>

**HARDEE SOIL AND WATER CONSERVATION DISTRICT  
NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
YEAR ENDED SEPTEMBER 30, 2020**

**NOTE 1 BASIS OF PRESENTATION**

The accompanying schedule of expenditures of state financial assistance (Schedule) includes the state financial assistance activity of Hardee Soil and Water Conservation District (District) under projects of the State of Florida for the year ended September 30, 2020. The information in this Schedule is presented in accordance with the requirements of Chapter 69I-5, Rules of the Florida Department of Financial Services. Because the Schedule presents only a selected portion of the operation of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting for awards and financial assistance received in governmental funds which are described in Note 1 to the District's basic financial statements. Such state financial assistance expenditures are recognized following Chapter 69I-5, Rules of the Florida Department of Financial Services, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown in the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.



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

Board of Directors  
Hardee Soil and Water Conservation District  
Wauchula, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the General Fund of the Hardee Soil and Water Conservation District (District), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 23, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses 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 from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that 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.



**CliftonLarsonAllen LLP**

Sebring, Florida  
March 23, 2021



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

Board of Directors  
Hardee Soil and Water Conservation District  
Wauchula, Florida

**Report on Compliance for Each Major State Project**

We have audited Hardee Soil and Water Conservation District's (District) compliance with the types of compliance requirements described in the Florida Department of Financial Service's *State Projects Compliance Supplement* that could have a direct and material effect on each of the District's major state projects for the year ended September 30, 2020. The District's major state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with state statutes, regulations, and the terms and conditions of its state awards applicable to its state projects.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the District's major state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General for *Local Governmental Entity Audits*. Those standards and Chapter 10.550, Rules of the Auditor General, require that we 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 state project occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state project. However, our audit does not provide a legal determination of the District's compliance.

***Opinion on Each Major State Project***

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state projects for the year ended September 30, 2020.

### **Report on Internal Control Over Compliance**

Management of the 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 our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major 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 state project and to test and report on internal control over compliance in accordance with 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, we do not express an opinion on the effectiveness of the 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 state project on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state project will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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. We did not identify any deficiencies in internal control over compliance that we 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 our testing of internal control over compliance and the results of that testing based on the requirements of Chapter 10.550. Accordingly, this report is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

Sebring, Florida  
March 23, 2021

**HARDEE SOIL AND WATER CONSERVATION DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED SEPTEMBER 30, 2020**

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**Section I – Summary of Auditors’ Results**

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**Financial Statements**

- |  |                               |
|--|-------------------------------|
| 1. Type of auditors’ report issued:                      | Unmodified                    |
| 2. Internal control over financial reporting:            |                               |
| • Material weakness(es) identified?                      | _____ yes <u>    X    </u> no |
| • Significant deficiency(ies) identified?                | _____ yes <u>    X    </u> no |
| 3. Noncompliance material to financial statements noted? | _____ yes <u>    X    </u> no |

**State Financial Assistance**

- |   |                               |
|---|-------------------------------|
| 1. Internal control over state projects:  |                               |
| • Material weakness(es) identified?   | _____ yes <u>    X    </u> no |
| • Significant deficiency(ies) identified?   | _____ yes <u>    X    </u> no |
| 2. Type of auditors’ report issued on compliance for major state projects:  | Unmodified                    |
| 3. Any audit findings disclosed that are required to be reported in accordance with Chapter 10.550, Rules of the Auditor General? | _____ yes <u>    X    </u> no |

**Identification of Major State Projects:**

**CFSA Number(s)**

42.017

**Name of State Project or Cluster**

Agricultural Nonpoint Source Management Practices Implementation

Dollar threshold used to distinguish between Type A and Type B state projects

\$ 313,366



**HARDEE SOIL AND WATER CONSERVATION DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2020**

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***Section II – Financial Statement Findings***

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Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

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***Section III – Findings and Questioned Costs – Major State Projects***

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Our audit did not disclose any matters required to be reported in accordance with Chapter 10.550, Rules of the Auditor General.



## MANAGEMENT LETTER

Board of Directors  
Hardee Soil and Water Conservation District  
Wauchula, Florida

### Report on the Financial Statements

We have audited the financial statements of the Hardee Soil and Water Conservation District (District), Florida, as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated March 23, 2021.

### Auditors' Responsibility

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

### Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on Compliance for each Major State Project and Report on Internal Control over Compliance; Schedule of Findings and Questions Costs; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated March 23, 2021, should be considered in conjunction with this management letter.

### Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings or recommendations made in the preceding financial audit report.

### 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 financial statements. See Note 1 in the notes to financial statements.

**Financial Condition and Management**

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the District has met one or more conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the District. It is management’s responsibility to monitor the District’s financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by the same.

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

**Special District Component Units**

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

**Additional Matters**

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. See item 2020-001 in the accompanying schedule of findings and responses.

**Purpose of this Letter**

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



**CliftonLarsonAllen LLP**

Sebring, Florida  
March 23, 2021

**HARDEE SOIL AND WATER CONSERVATION DISTRICT  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED SEPTEMBER 30, 2020**

**CURRENT YEAR FINDINGS AND RECOMMENDATIONS**

**2020-001: Security for Public Deposits**

Type of Finding

- State Compliance

**Condition:** The Public Deposit Identification and Acknowledgement Form was not prepared in a timely manner for one bank account that was opened during the current year.

**Criteria or specific requirement:** Chapter 280.17(2)(b), Florida Statutes, requires the entity to execute a Public Deposit Identification and Acknowledgement Form, DFS-J1-1295 at the time of opening the account. This form is mandatory for filing a claim with the Florida Chief Financial Officer upon default or insolvency of a qualified public depository.

**Context:** Testing of compliance with Chapter 280 identified the deficiency.

**Effect:** Without the required documentation, the District allows itself to be susceptible to financial loss upon default or insolvency of a qualified public depository.

**Cause:** Management did not execute the form until 10 months after opening a new account.

**Recommendation:** We recommend that management review the provisions of Chapter 280, Florida Statutes, and establish procedures to ensure that the required forms are completed and maintained, and submitted to the Florida Chief Financial Officer, as applicable.

**Views of Responsible Officials:** We did not fill out the Public Deposit Identification and Acknowledgement Form within the allotted time. We did file it after that fact was reminded to me.



## INDEPENDENT ACCOUNTANTS' REPORT

Hardee Soil and Water Conservation District and  
The Florida Auditor General  
Wauchula, Florida

We have examined the Hardee Soil and Water Conservation District (District)'s compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2020. Management of the District is responsible for the District's compliance with the specified requirements. Our responsibility is to express an opinion on the District's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the District complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the District complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

In our opinion, the District complied, in all material respects, with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2020.

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

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Sebring, Florida  
March 23, 2021