

**HARDEE SOIL AND WATER CONSERVATION DISTRICT**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED SEPTEMBER 30, 2017**

**HARDEE SOIL AND WATER CONSERVATION DISTRICT  
TABLE OF CONTENTS  
YEAR ENDED SEPTEMBER 30, 2017**

<b>INDEPENDENT AUDITORS' REPORT</b>	<b>1</b>
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS</b>	<b>3</b>
<b>FINANCIAL STATEMENTS</b>	
<b>STATEMENT OF NET POSITION</b>	<b>6</b>
<b>STATEMENT OF ACTIVITIES</b>	<b>7</b>
<b>GOVERNMENTAL FUND BALANCE SHEET</b>	<b>8</b>
<b>GOVERNMENTAL FUND REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE</b>	<b>9</b>
<b>RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET TO ACTUAL – GENERAL FUND TO THE STATEMENT OF ACTIVITIES</b>	<b>10</b>
<b>NOTES TO FINANCIAL STATEMENTS</b>	<b>11</b>
<b>SUPPLEMENTAL INFORMATION</b>	
<b>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 <i>GOVERNMENT AUDITING STANDARDS</i></b>	<b>16</b>
<b>SCHEDULE OF FINDINGS AND RESPONSES</b>	<b>18</b>
<b>MANAGEMENT LETTER</b>	<b>20</b>
<b>INDEPENDENT ACCOUNTANTS' REPORT</b>	<b>22</b>

## 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, 2017, 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, 2017, 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 3-5 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 Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 12, 2018, 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 result 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.



**CliftonLarsonAllen LLP**

Lakeland, Florida  
June 12, 2018

**HARDEE SOIL AND WATER CONSERVATION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2017**

The Hardee Soil and Water Conservation District's (the "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, 2017.

**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 non-compliance) 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, 2017**

**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**

	2017	2016	Increase (Decrease)
Cash and Cash Equivalents	\$ 31,084	\$ 220,486	\$ (189,402)
Certificates of Deposit	100,000	-	-
Accounts Receivable, Net	11,182	3,382	7,800
Total Assets	<u>142,266</u>	<u>223,868</u>	<u>(81,602)</u>
Accounts Payable	2,437	75,655	(73,218)
Due to Other Governments	8,329	35,517	(27,188)
Total Liabilities	<u>10,766</u>	<u>111,172</u>	<u>(100,406)</u>
Net Position - Unrestricted	<u>\$ 131,500</u>	<u>\$ 112,696</u>	<u>\$ 18,804</u>

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

	2017	2016	Increase (Decrease)
<b>Revenues</b>			
Charges for Services	\$ 400	\$ 820	\$ 420
Operating Grants and Contributions	744,391	1,256,076	511,685
Interest Income	115	137	(22)
Total Revenues	<u>744,906</u>	<u>1,257,033</u>	<u>(512,127)</u>
<b>Expenses</b>			
Physical Environment	726,102	1,201,928	(475,826)
Total Expenses	<u>726,102</u>	<u>1,201,928</u>	<u>(475,826)</u>
<b>CHANGES IN NET POSITION</b>	18,804	55,105	(36,301)
Net Position, Beginning of Year	<u>112,696</u>	<u>57,591</u>	<u>55,105</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 131,500</u>	<u>\$ 112,696</u>	<u>\$ 18,804</u>

**HARDEE SOIL AND WATER CONSERVATION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2017**

**FINANCIAL HIGHLIGHTS (CONTINUED)**

- Total assets decreased by \$81,602 from the prior year due the payment of accounts payable during the year.
- Total liabilities decreased by \$100,406 from the prior year due to timing of payables at year-end.
- Total revenue decreased by \$512,127 from the prior year due to less projects being completed.
- Total expenditures decreased by \$475,826 from the prior year due to less projects being completed.
- The District has no capital assets or long-term debt.
- The District's net position is unrestricted.

**DISTRICT HIGHLIGHTS**

- We also have been able to sponsor a working group town meeting between the public and Soil and Water District, NRCS, FSA, and the Extension Service.
- We hope to involve more students and young people in the future.

**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.

**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, 2017**

**ASSETS**

Cash and Cash Equivalents	\$ 31,084
Certificates of Deposit	100,000
Accounts Receivable, Net	11,182
Total Assets	<u>142,266</u>

**LIABILITIES**

Accounts Payable	2,437
Due to Other Governments	8,329
Total Liabilities	<u>10,766</u>

**NET POSITION**

Unrestricted	131,500
Total Net Position	<u><u>\$ 131,500</u></u>

*See accompanying Notes to Financial Statements.*



**HARDEE SOIL AND WATER CONSERVATION DISTRICT  
STATEMENT OF ACTIVITIES  
YEAR ENDED SEPTEMBER 30, 2017**

<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	\$ 726,102	\$ 400	\$ 744,391	\$ -
Total Governmental Activities	\$ 726,102	\$ 400	\$ 744,391	\$ -
General Revenues:				
Interest Income				115
Total General Revenues				115
Change in Net Position				18,804
Net Position - Beginning of Year				112,696
Net Position - End of Year				\$ 131,500

See accompanying Notes to Financial Statements.

**HARDEE SOIL AND WATER CONSERVATION DISTRICT  
BALANCE SHEET  
GENERAL FUND  
SEPTEMBER 30, 2017**

**ASSETS**

Cash and Cash Equivalents	\$ 31,084
Certificates of Deposit	100,000
Accounts Receivable, Net	11,182
Total Assets	\$ 142,266

**LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE**

**LIABILITIES**

Accounts Payable	\$ 2,437
Due to Other Governments	8,329
Total Liabilities	10,766

**DEFERRED INFLOWS OF RESOURCES**

Unavailable Revenue: Intergovernmental	8,745
--	-------

**FUND BALANCE**

Unassigned	122,755
Total Fund Balance	122,755

Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 142,266
--	------------

**Amounts reported for governmental activities in the statement of net position are different because:**

Certain receivables are not available to pay current period expenditures, and therefore are reported as deferred inflows of resources in the funds.	
Net Position of Governmental Activities	\$ 8,745
	\$ 131,500

See accompanying Notes to Financial Statements.

**HARDEE SOIL AND WATER CONSERVATION DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
GENERAL FUND  
YEAR ENDED SEPTEMBER 30, 2017**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 944,402	\$ 944,402	\$ 739,028	\$ (205,374)
Charges for Services	400	400	400	-
Interest	42	42	115	73
Total Revenues	<u>944,844</u>	<u>944,844</u>	<u>739,543</u>	<u>(205,301)</u>
<b>EXPENDITURES</b>				
Physical Environment	944,844	944,844	726,102	218,742
Total Expenditures	<u>944,844</u>	<u>944,844</u>	<u>726,102</u>	<u>218,742</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	13,441	13,441
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>109,314</u>	<u>109,314</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 122,755</u>	<u>\$ 122,755</u>

See accompanying Notes to Financial Statements.

**HARDEE SOIL AND WATER CONSERVATION DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES – BUDGET TO ACTUAL – GENERAL FUND TO THE  
STATEMENT OF ACTIVITIES  
YEAR ENDED SEPTEMBER 30, 2017**

Net Change in Fund Balance - Total Governmental Funds	\$	13,441
<p>In the statement of activities, revenue is reported by the amounts earned during the year. In the Governmental Funds, revenue is recorded instead because payments were not received in the timeframe to be considered available. The amount represents the change in the balance.</p>		
		5,363
Change in Net Position of Governmental Activities	\$	18,804

*See accompanying Notes to Financial Statements.*

**HARDEE SOIL AND WATER CONSERVATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity**

The Hardee Soil and Water Conservation District (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.

The accounting policies of the 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.

**Basis of Presentation**

The District complies with accounting standards established by the Governmental Accounting Standards Board (GASB). The District has implemented GASB Statement No. 34 as amended, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*.

**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 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. Payments of other items not properly included as program revenues are reported as general revenues.

**HARDEE SOIL AND WATER CONSERVATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017**

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

**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:

***Governmental Fund***

- **General Fund** – This fund is used to account for the accumulation and expenditure of resources that are not restricted in any manner but are used for general purposes of the District and do not require the establishment of any other type of 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.

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**

Under GASB No. 34, budgetary comparison information is required to be presented for the general fund and each major special revenue fund with a legally adopted budget. 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.

**HARDEE SOIL AND WATER CONSERVATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017**

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

**Budgetary Requirements (Continued)**

- 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.

**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. At September 30, 2017, all net position was unrestricted.

**Fund Balance and Spending Policy**

In accordance with GASB Statement No. 54 – *Fund Balance Reporting and Governmental Fund Type Definitions*, which was implemented by the Board for the year ended September 30, 2011, 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.

**HARDEE SOIL AND WATER CONSERVATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017**

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

**Fund Balance and Spending Policy (Continued)**

The fund balance of the General Fund is classified as unassigned.

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.

**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.

**Accounts Receivable, Net**

Accounts receivable are shown at their net realizable value and reduced by an allowance for uncollectible accounts.

**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.

**Unearned Revenue**

Unearned revenues arise when resources are received by the government before it has a legal claim to them, as when grant monies are received prior to incurring qualified expenditures. Unearned revenue is reported as a liability on the balance sheet.

**NOTE 2 DEPOSITS**

Custodial credit risk is the risk that in the event of bank failure, the government's deposits may not be returned to it.

At September 30, 2017, the carrying amount of the District's deposits was \$131,084 and the balance per the bank was \$131,084. The District's interest bearing bank balance is collateralized pursuant to Chapter 280, Florida Statutes. Under this Chapter, in the event of default by a participating financial institution, a qualified public depository, all participating institutions are obligated to reimburse the governmental entity for the loss.



**HARDEE SOIL AND WATER CONSERVATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017**

**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 December 31, 2017, the following entity provided more than 10% of total revenues:

FL Dept. of Agriculture and Consumer Services	<u>2017</u> 99.93%
---	-----------------------

**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, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated June 12, 2018.

**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) to determine the 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses as finding 2017-001, that we consider to be a material weakness.

**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 determination of financial statement amounts. 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*.

**Hardee Soil and Water Conservation District's Response to Findings**

The District's response to the finding identified in our audit is described in the schedule of findings and responses. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result 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**

Lakeland, Florida  
June 12, 2018

**HARDEE SOIL AND WATER CONSERVATION DISTRICT  
SCHEDULE OF FINDINGS AND RESPONSES  
SEPTEMBER 30, 2017**

**FINANCIAL STATEMENT AUDIT**

**Material Weaknesses**

**2017-001 – MATERIAL AUDIT ADJUSTMENT**

**Condition:** As part of the audit, we proposed an adjustment to correct revenue and expenses because the 5% administrative fees were double accounted by the District.

**Criteria:** Revenues and expenses were materially overstated.

**Effect:** Revenues and expenses were adjusted to correct the error.

**Cause:** The entry was overlooked when transferring funds from the BMP bank account to the general operating account.

**Recommendation:** We recommend that the District evaluate transfer when they are made to ensure transactions are not recorded twice.

**Response:** The District concurs.

**HARDEE SOIL AND WATER CONSERVATION DISTRICT  
SCHEDULE OF FINDINGS AND RESPONSES  
SEPTEMBER 30, 2017**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

Prior Year Findings		Current Year Status			
		Cleared	Partially Cleared	Not Cleared	Reference
2016-001 Preparation of Financial Statements	Material Weakness	X			
2016-002 Material Audit Adjustment	Material Weakness			X	2017-001
2016-003 Grant Reporting Review	Significant Deficiency	X			

## 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, 2017, and have issued our report thereon dated June 12, 2018.

### Auditor's Responsibility

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

### Other Reports and Schedule

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; Schedule of Findings and Responses; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. *Disclosures* in those reports and schedule, which are dated, June 12, 2018, 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. Correction actions have been taken to address findings and recommendation made in the preceding financial audit report except as noted in the Schedule of Findings and Responses.

### 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 the 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.c. 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.

**Annual Financial Report**

Section 10.554(1)(i)5.b. 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 the annual financial report for the District for the fiscal year ended September 30, 2017, filed with the Department of Financial Services pursuant Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2017. In connection with our audit, we determined that these two reports were in agreement.

**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. In connection with our audit, we did not note any such findings.

**Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the 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**

Lakeland, Florida  
June 12, 2018

## INDEPENDENT ACCOUNTANTS' REPORT

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

We have examined the Hardee Soil and Water Conservation District's (District), compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2017. Management of the District is responsible for the District's compliance with the specified requirements. Our responsibility is to express an opinion on District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the 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, 2017.

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**

Lakeland, Florida  
June 12, 2018