

# Holmes Creek Soil and Water Conservation District Performance Review

Prepared for:  
The Florida Legislature's  
Office of Program Policy Analysis  
and Government Accountability  
(OPPAGA)

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## Key Takeaways

- The November 2022 election resulted in a complete changeover of membership for the Holmes Creek Soil and Water Conservation District’s Board of Supervisors in January 2023. Coupled with turnovers in staff, the Board’s complete changeover resulted in loss of institutional knowledge.
- During the review period (October 1, 2020, through April 30, 2024), Holmes Creek Soil and Water Conservation District’s primary activities were administering Florida Department of Agriculture and Consumer Services contracts, providing and sponsoring agriculture education, and providing rental equipment services.
- Holmes Creek Soil and Water Conservation District’s primary source of revenue is a 5% administrative fee from the Florida Department of Agriculture and Consumer Services contracts.
- Holmes Creek Soil and Water Conservation District’s operations are not guided by a strategic plan or goals. The District’s objectives do not provide measurable milestones to show progress, and its performance is not evaluated by using locally developed measures and standards.
- Holmes Creek Soil and Water Conservation District was unable to provide a significant amount of information requested for the performance review. The District does not have adequate policies in place for succession planning and records retention.

# I. Background

Pursuant to s. [189.0695\(3\)\(b\)](#), *Florida Statutes*, Mauldin & Jenkins (“M&J”) was engaged by the Florida Legislature’s Office of Program Policy Analysis and Government Accountability to conduct performance reviews of the State’s 49 independent soil and water conservation districts. This report details the results of M&J’s performance review of Holmes Creek Soil and Water Conservation District (“Holmes Creek SWCD” or “District”), conducted with a review period of October 1, 2020, through April 30, 2024.

## I.A: District Description

### Purpose

Chapter [582](#) of the *Florida Statutes* concerns soil and water conservation within the State of Florida. The chapter establishes the processes for creation, dissolution, and change of boundaries of districts; the qualifications, election, tenure, and mandatory meetings of District Supervisors; the oversight powers and duties of the Florida Department of Agriculture and Consumer Services (“FDACS”); and the powers and purpose of the districts. The District’s statutory purpose, per s. [582.02](#), *Florida Statutes*, is “to provide assistance, guidance, and education to landowners, land occupiers, the agricultural industry, and the general public in implementing land and water resource protection practices. The Legislature intends for soil and water conservation districts to work in conjunction with federal, state, and local agencies in all matters that implement the provisions of [ch. [582](#), *Florida Statutes*].”

The District’s website states that “the mission of the Holmes Creek Soil and Water Conservation District is to provide the administration of programs to conserve soil and improve water quality and quantity on private lands in Holmes County.”

### Service Area

When the District began operations in 1937, the service area included Holmes County, east of the Choctawhatchee River and northwest Jackson County.<sup>1</sup> In 1971, the Choctawhatchee River Soil and Water Conservation District ceded western Holmes County to Holmes Creek SWCD, and in 1987, the District ceded its Jackson County territory to the newly chartered Jackson Soil and Water Conservation District. Holmes Creek SWCD’s territory and borders have remained identical to those of Holmes County since 1987.

The District’s service area includes unincorporated Holmes Creek County, the County’s one city and four towns,<sup>2</sup> and part of Choctawhatchee River Water Management Area and Ponce de Leon Springs State Park.

The District is bounded on the north by the state of Alabama, east by Jackson County, south by Washington County, and west Walton County. The total area within the District is 489 of square miles, with 479 square miles of land and 10 square miles of water. Holmes Creek comprises the District’s eastern border with both Jackson and Washington Counties.

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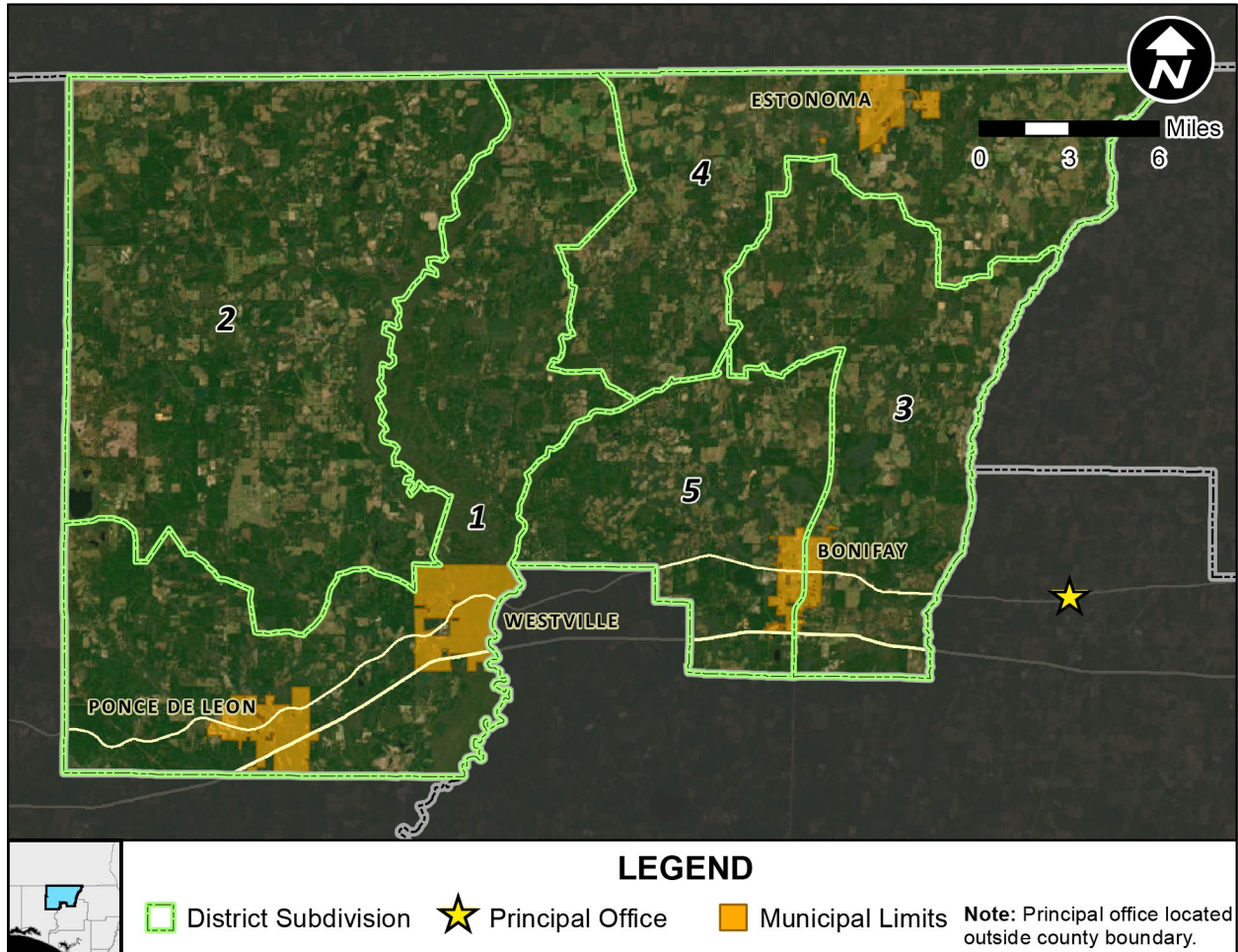
<sup>1</sup> McMullen, K. S., and A. P. Spencer. 1945. *Biennial Report of the State Soil Conservation Board: January 1, 1943 - December 31, 1944*. Biennial Report, Tallahassee: Florida State Soil Conservation Board.

<sup>2</sup> City: Bonifay. Towns: Esto, Noma, Ponce de Leon, and Westville.

The District’s registered address and current meeting location is 103 North Oklahoma Street, Bonifay, Florida 32425 – the United States Department of Agriculture service center. The District also maintains office space and has previously held meetings at 703 East Highway 90, Bonifay, Florida 32425 – the University of Florida’s Institute of Food and Agricultural Sciences Extension office in Holmes County.

Figure 1 is a map of the District’s service area, based on the map incorporated by reference in Rule [5M-20.002\(3\)\(a\)20.](#), *Florida Administrative Code*, showing the District’s boundaries, electoral subdivisions, major municipalities within the service area, and the District’s principal office/registered address.

**Figure 1: Map of Holmes Creek Soil and Water Conservation District**



(Source: Holmes County GIS, Florida Commerce Special District Profile)

### Population

Based on the Florida Office of Economic and Demographic Research population estimates, the population within the District’s service area was 19,910 as of April 1, 2023.

## District Characteristics

Holmes Creek SWCD is located in the northwestern part of Florida. The economy of the service area is diversified and is supported by an agriculture and forestry industry, a manufacturing and fabrication industry, and a healthcare industry.<sup>3</sup> The rural parts of the District primarily consist of farmland and timberland. The District's main agriculture products include timber, cotton, hay, grains, and dry beans/peas.<sup>4</sup> The District's climate is uniform throughout the service area and includes mild and humid summers and mild winters. The District experiences, on average, 60 inches of rainfall per year, which favors plant growth and rapid decomposition of organic matter in the District's soil. The entirety of the District lies within the Coastal Plain Province of the United States, which is characterized by unconsolidated sand, silt, and clay. Creeks, such as Holmes Creek, and streams in the District flow into the Choctawhatchee River, which dissects the District from north to south.<sup>5</sup>

The District's humid summers and a large amount of annual rainfall deplete the soil of nutrients at a higher rate, which means the District requires soil conservation practices that work to enhance and sustain soil nutrient levels. The agricultural and forestry lands, which make up a majority of the District, require support for the implementation of leading practices in reducing agricultural production's impact on water quality, as well as helping connect landowners to federal and State cost-share programs to help cover the costs of innovative equipment, projects, and practices.

## I.B: Creation and Governance

Holmes Creek SWCD began operations in 1937 as the Holmes Creek Soil Conservation District under the authority of the Soil Conservation Districts Law.<sup>6</sup> The District was chartered on April 3, 1940, following a successful petition to the Florida State Soil Conservation Board under the authority of the State Soil Conservation Districts Act (herein referred to as "ch. [582, Florida Statutes](#)").<sup>7</sup> The Florida Legislature amended ch. [582, Florida Statutes](#), in 1965, to expand the scope of all soil conservation districts to include water conservation and rename the District the Holmes Creek Soil and Water Conservation District.<sup>8</sup>

The District is governed by a Board of Supervisors. Supervisors are unpaid, nonpartisan public officials elected by the voters within the service district. M&J analyzed the Supervisors' elections, appointments, and qualifications within the in-scope period pursuant to applicable *Florida Statutes*.<sup>9</sup>

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<sup>3</sup> Holmes County Development Commission. 2024. Target Industries. Accessed May 4, 2024. <https://www.holmesedc.com/target-industries/>.

<sup>4</sup> United States Department of Agriculture. 2017. "County Profile - Holmes County Florida." Census of Agriculture, Washington.

<sup>5</sup> United States Department of Agriculture. 1975. "Soil Survey of Holmes County, Florida." Soil Conservation Service, Washington.

<sup>6</sup> ch. 582 (1937), *Florida Statutes*, available online as ch. [18144, Laws of Florida](#)

<sup>7</sup> ch. 582 (1939), *Florida Statutes*, available online as ch. [19473, Laws of Florida](#)

<sup>8</sup> ch. [65-334, Laws of Florida](#)

<sup>9</sup> Including ss. [582.15](#), [582.18](#), and [582.19, Florida Statutes](#); Rule [5M-20.002, Florida Administrative Code](#); and ch. [2022-191, Laws of Florida](#)

As of this report, the District has five Supervisors. Section [582.19\(1\), Florida Statutes](#), requires Supervisors to sign an affirmation that they met the residency and qualification requirements. M&J requested the affirmations as part of a public records request to the Holmes County Supervisor of Elections, and received a signed affirmation of qualifications for each Supervisor. During the review period (October 1, 2020, through April 30, 2024), there have been zero vacancies on the Board, as illustrated in Figure 2. Each of the current District Supervisors filed candidate information, including affirmation of qualifications, in June 2022. Additional assessment of the District’s electoral patterns is detailed in section II.D (Organization and Governance) of this report.

**Figure 2: Supervisor Terms**

Seat	FY21				FY22				FY23				FY24		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
1	Randall Baker								David Adams						
2	Terry Watkins								Alana Franklin						
3	Judy Powell								Heath Ulrich						
4	Joe Franklin								Perry Jackson						
5	Jerry Wright								Catherine Peel						

(Source: Holmes County Supervisor of Elections Election Data; District Board Meeting Minutes)

M&J was able to confirm 11 times that the District met during the review period.<sup>10</sup> Based on the meeting minutes available, the District met the mandatory meeting requirement of [s. 582.195, Florida Statutes](#), to meet at least once per calendar year with all five Supervisors for both 2022 (April) and 2023 (January). M&J has determined that the District did not properly notice Board meetings. Additional assessment of the District’s patterns of providing meeting notices, adherence to relevant statutes, and retention of meeting agendas and minutes is detailed in section II.D (Organization and Governance) of this report.

Neither Holmes County nor the in-district municipalities have adopted any local regulations for the District.

### I.C: Programs and Activities

The following is a list of programs and activities conducted by the District within the review period (October 1, 2020, through April 30, 2024), along with a brief description of each program or activity. The District’s programs and activities will be described in detail in section II.A (Service Delivery) of this report.

- Best Management Practices Programs
  - The Best Management Practices Cost-Share and Implementation Assistance programs provide Florida Department of Agriculture and Consumer Services funding to the District to administer reimbursement agreements with local agriculture producers and provide landowners with technical assistance related to implementing practices to improve water quality in agricultural and urban discharges.

<sup>10</sup> Meetings occurred in May and July 2021; March, April, and May 2022; January, March, April, August, and December 2023; and February 2024.

- Conservation Education Programs
  - Poster Contest
    - The Poster Contest is an opportunity to produce educational posters related to conservation topics. Winners at the District level can advance to compete at the regional, State, and national levels. The District provides prize money for the local winners of the poster contest.
  - The District made donations to conservation education organizations within the District’s service area, including the Holmes County 4-H chapter.
- Equipment Rental Service
  - The District owned a 7-foot no-till drill that it rented to agricultural producers and other landowners within its service area to aid with soil and water conservation practices. The no-till drill had a mechanical failure in 2021 and was deemed a total loss. The District provided a verbal statement that the District is currently looking into buying a new no-till drill, but had not done so during the review period.

### **I.D: Intergovernmental Interactions**

The following is a summary of federal agencies, State agencies, and/or public entities with which the District interacts, including the means, methods, frequency, and purpose of coordination and communication.

#### **Florida Department of Agriculture and Consumer Services**

The District administers Best Management Practices (“BMP”) Cost-Share and Implementation Assistance programs on behalf of the Florida Department of Agriculture and Consumer Services (“FDACS”), providing financial incentives and technical services to agriculture producers in the District’s service area who implement BMPs. Board of Supervisor meeting minutes show that FDACS representation periodically attended Board meetings, though the meeting minutes do not go into detail about what was discussed.

#### **Holmes County Board of County Commissioners**

The District has an active inter-agency agreement with the Holmes County Board of County Commissioners (“HBoCC”) for the District’s Conservation Technician position. The Conservation Technician position is allocated to the District through the BMP Implementation Assistance contract and is considered an HBoCC employee through the inter-agency agreement. The HBoCC pays the Conservation Technician’s salary and benefits and is then reimbursed by the District through FDACS. The HBoCC also pays for insurance costs related to the 2015 Ford F-150, which is owned by the District and used by the Conservation Technician.

Additionally, the District holds a sublease agreement with the HBoCC for office space and utilities at the University of Florida’s Institute of Food and Agricultural Sciences Extension office in Holmes County (“Holmes County Extension”). The District Conservation Technician position uses the office space and equipment at the Holmes County Extension. The sublease agreement was automatically renewed in June 2023 and will be renewed again in June 2024 unless either the District or HBoCC takes action to terminate or modify the agreement.

### Natural Resources Conservation Service

The Natural Resources Conservation Service allows the District to use the United States Department of Agriculture (“USDA”) Bonifay service center as the District’s registered address. The USDA Bonifay Service Center served as an office space for the District’s administrative staff, as a records storage space for District records and documents, and as a meeting space for the Board of Supervisor’s meetings.

### Jackson Soil and Water Conservation District

The District maintained a memorandum of agreement with the Jackson Soil and Water Conservation District (“Jackson SWCD”) from April 2022 to March 2024 to share an administrative staff position as defined and required by the districts’ respective BMP Implementation Assistance contracts. The position was employed and paid by Jackson SWCD through FDACS reimbursements but split their time between the two districts. The position began assisting both the District and Jackson SWCD in the second quarter of 2022, prior to the execution date of the memorandum of agreement.

### I.E: Resources for Fiscal Year 2022 – 2023

The following figures quantify and describe the District’s resources for Fiscal Year 2022 – 2023 (October 1, 2022, through September 30, 2023, herein referred to as “FY23”). Figure 3 shows the total amount of revenues, expenditures, and long-term debt maintained by the District in FY23. Figure 4 shows the number of paid full-time and part-time staff, contracted staff, and volunteers by employer. Figure 5 shows the number and type of vehicles, number and type of major equipment, and number and type of facilities owned, leased, and used by the District.

**Figure 3: FY23 Finances**

	Revenues	Expenditures	Long-term Debt
<b>Total for Year</b>	\$578,875	\$504,181	\$0

(Source: District FY23 Bank Statements)

**Figure 4: FY23 Program Staffing**

	Full-time Staff	Part-time Staff	Contracted Staff	Volunteers
<b>Holmes County Board of County Commissioners-employed staff</b>	1	0	0	0
<b>Jackson SWCD-employed staff</b>	0	1	0	0
<b>Total</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>

(Source: District Provided Statement)



**Figure 5: FY23 Equipment and Facilities**

	<b>Number</b>	<b>Ownership Status</b>	<b>Type(s)</b>
<b>Vehicles</b>	1	1 owned by the District	1 2015 Ford F-150
<b>Major Equipment</b>	0	N/A	N/A
<b>Facilities</b>	2	1 owned by the United States Department of Agriculture; 1 owned by the Holmes County Board of County Commissioners	2 office spaces

*(Source: MOA between the District and HBoCC; District Provided Statement)*

## II. Findings

The Findings sections summarize the analyses performed, and the associated conclusions derived from M&J's analysis. The analysis and findings are divided into the following four subject categories:

- Service Delivery
- Resource Management
- Performance Management
- Organization and Governance

### II.A: Service Delivery

#### Overview of Services

M&J has identified the following programs and activities that the District has performed during the review period (October 1, 2020, through April 30, 2024)

#### *Best Management Practices*

A Best Management Practice (“BMP”) is defined as “a practice or combination of practices determined by the coordinating agencies,<sup>11</sup> based on research, field-testing, and expert review, to be the most effective and practicable on-location means, including economic and technological considerations, for improving water quality in agricultural and urban discharges. Best Management Practices for agricultural discharge shall reflect a balance between water quality improvements and agricultural productivity.”<sup>12</sup> Producers in an area with a Basin Management Action Plan<sup>13</sup> are required to either implement BMPs or conduct water quality monitoring.<sup>14</sup>

The District administers a BMP Cost-Share Program and BMP Implementation Assistance Program on behalf of the Florida Department of Agriculture and Consumer Service (“FDACS”).

The BMP Cost-Share Program contract is designed to help agricultural producers offset the expenses related to purchasing conservation-related equipment. Producers are reimbursed up to 75% of the equipment cost with a reimbursement cap of \$50,000. District staff perform regular site visits for producers enrolled in the BMP Cost-Share Program to confirm compliance with agreement(s) terms.

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<sup>11</sup> Department of Agriculture and Consumer Services, Department of Environmental Protection, and South Florida Water Management District

<sup>12</sup> s. [373.4595\(2\)\(a\)](#), *Florida Statutes*

<sup>13</sup> Defined by the Florida Department of Environmental Protection as “a framework for water quality restoration that contains local and state commitments to reduce pollutant loading through current and future projects and strategies.”

<sup>14</sup> s. [403.067\(7\)\(b\)2.g.](#), *Florida Statutes*,

The BMP Implementation Assistance contract provides funds to the District to employ a full-time Conservation Technician and a part-time Administrative Assistant position to provide cost-share assistance to agriculture producers within the District’s service area. The Conservation Technician additionally provides technical assistance for designing and constructing more efficient farm infrastructures. A detailed description of the position’s responsibilities is included in the II.B (Resource Management) section of this report.

The District receives reimbursement for staff salaries, equipment, vehicles, travel, related administrative and operational expenses, rent, and cost-share reimbursements.

#### *Conservation Education Programs*

The District provides packets to schools with information about the local rounds of the National Association of Conservation Districts’ (“NACD”) annual Poster Contest. The Poster Contest provides students with a chance to compete and have their art displayed nationally. The contest is open to kindergarten through 12th-grade students from the District’s service area, separated into two- or three-grade divisions. These contests use a common conservation-related prompt set by the NACD. Holmes Creek SWCD provides prize money to the winners of the District-level contests, who can advance to compete at the regional, State, and national levels.

Holmes Creek SWCD additionally sponsors conservation education programs hosted by agricultural partners. For example, the District donated funds during the review period to the local 4-H chapter and to the Association of Florida Conservation Districts’ Ellis Putnal Memorial Fund.<sup>15</sup>

#### *Equipment Rental Service*

The District owned a 7-foot no-till drill that was rented out to agriculture producers in the District’s service area. The District provided a written statement that the no-till drill experienced a mechanical failure in 2021 and was deemed a total loss.

#### *Analysis of Service Delivery*

The BMP Project Cost-Share Program that the District administers on behalf of FDACS incentivizes producers to implement BMPs related to natural resource conservation and, in doing so, become eligible to receive the benefits of the program, such as financial assistance related to the implementation. The District’s services provided through the contracts the District has with FDACS are within its statutory purpose and authority to provide BMP projects and demonstrations, as defined in s. [582.20\(2\)](#), *Florida Statutes*.

In January 2023, the entire Board of Supervisors (“Board”) turned over and the newly elected District Supervisors began contemplating programming opportunities, such as revitalizing conservation education programming through the NACD Poster Contest and sponsorships of agriculture education efforts. The District’s conservation and agriculture education activities align with the District’s statutory purpose and authority, as defined in s. [582.20\(7\)](#), *Florida Statutes*.

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<sup>15</sup> The Ellis Putnal Memorial Fund provides awards and scholarships to student participants in speech, poster, and land judging competitions throughout Florida.

The District owned a 7-foot no-till drill and rented the equipment to agriculture producers in the District's service area. In 2021, the no-till drill experienced a mechanical failure and was deemed a total loss. The District Treasurer provided a statement that once the District hires a new Conservation Technician, the District will survey agriculture producers within the District's service area to gauge what equipment would be beneficial to offer as rentals to the District's service area. Doing so will provide the District with another source of revenue to use toward the District's goal to provide more services and agriculture education opportunities to the community.

The District is provided reimbursement for the Conservation Technician position's salary, benefits, and activities that is paid for through the FDACS BMP Implementation Assistance contract. The District had a memorandum of agreement with the Jackson Soil and Water Conservation District ("Jackson SWCD") for an Administrative Assistant position to share time between the District and Jackson SWCD. The position was paid a single salary plus a limited number of overtime hours by Jackson SWCD to perform the required responsibilities for both districts, which allowed both Holmes Creek SWCD and FDACS to cut costs. The memorandum of agreement ended in March 2024 and was not re-executed. The Conservation Technician position was vacated in January 2024, and the Administrative Assistant position was vacated in March 2024. The District was in the process of hiring for the two positions at the culmination of the review period (April 30, 2024). Holmes Creek SWCD opted to hire the Administrative Assistant position separately from Jackson SWCD – a change in the District's organization and administration that M&J would recommend to improve service delivery.

### Comparison to Similar Services/Potential Consolidations

The District donates funds to agriculture education programs in its service area, such as the local 4-H chapter. The University of Florida's Institute of Food and Agricultural Sciences Extension office in Holmes County ("Holmes County Extension") also partners with the local 4-H chapter to provide agriculture education programs to the community. There is no overlap between the District and the Holmes County Extension or the local 4-H chapter because while the District donates funds to the local 4-H chapter, the District does not manage any of the agriculture education programs.

## II.B: Resource Management

### Program Staffing

The District is allocated one full-time Conservation Technician and one part-time Administrative Assistant position. Both of the aforementioned positions are funded through the Best Management Practices ("BMP") Implementation Assistance contract that the District holds with the Florida Department of Agriculture and Consumer Services ("FDACS"). The Conservation Technician's salary and benefits are paid by the Holmes County Board of County Commissioners ("HBoCC") through an inter-agency agreement. The HBoCC invoices the District for the position, the District transfers the funds to the HBoCC, and then the District provides FDACS with proof of payment and requests reimbursement. The Administrative Assistant position is paid by the District with funds provided by FDACS through the BMP Implementation Assistance contract. Between March 2022 and March 2024, the Administrative Assistant position was compensated by the Jackson Soil and Water Conservation District ("Jackson SWCD") through the memorandum of agreement between Holmes Creek SWCD and Jackson SWCD.

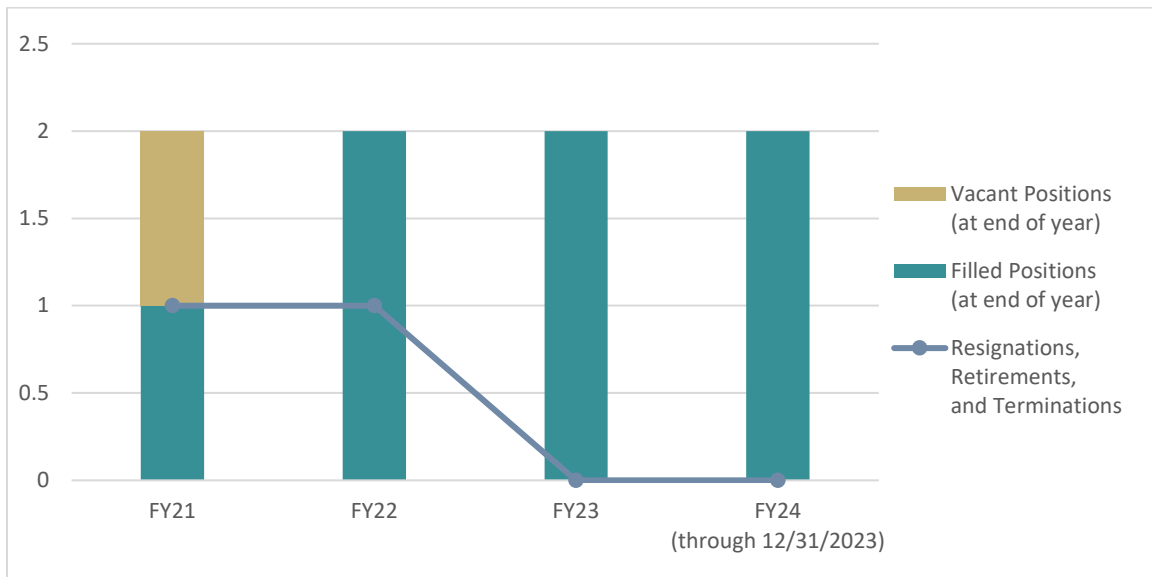
The Conservation Technician is responsible for conducting site assessments of production areas to be enrolled in the BMP Cost-Share Program. The Conservation Technician provides BMP-setup assistance to BMP Cost-Share Program participants, conducts BMP Implementation Verification site visits, promotes the BMP Cost-Share Program to non-registered agricultural producers, and other tasks at the direction of FDACS contract-management staff. The Administrative Assistant position processes BMP Cost-Share Program contracts, submits invoices for reimbursement to FDACS, and handles payments.

Figure 6 shows the filled positions, vacant positions, and retirements/resignations at the end of each fiscal year. There were two vacancies in each position during the review period (October 1, 2020, through April 30, 2024). As of the culmination of the review period, both positions are vacant.

The Administrative Assistant position was filled at the start of the review period and vacated in the fourth quarter of FY21. The position was filled in the second quarter of FY22 through a memorandum of agreement with the Jackson SWCD. The position was employed and paid by Jackson SWCD through FDACS reimbursements but provided administrative support to Holmes Creek SWCD. Holmes Creek SWCD did not pay compensation for the Administrative Assistant position during the term of the memorandum of agreement. The individual filling this position resigned in March 2024. Holmes Creek SWCD subsequently posted a job advertisement for the position on a part-time basis, separate from Jackson SWCD. Both districts confirmed in independent interviews with M&J that neither intends to renew the memorandum of agreement and will each hire separately for the Administrative Assistant position.

The Conservation Technician position was filled at the start of the review period and vacated in the first quarter of FY22. The position was filled in the second quarter of FY22; this individual went on maternity leave in October 2023 and resigned in February 2024.

**Figure 6: District Retention and Turnover<sup>16</sup>**



*(Source: District statements; Board meeting minutes; Field staff activity reports)*

<sup>16</sup> Tables in this report are through December 31, 2023, for FY24 to maintain consistency across all district reports.

## Equipment and Facilities

### Equipment

At the beginning of the review period, the District owned a 7-foot no-till drill that the District rented to local agriculture producers. The District provided a written statement that the no-till drill experienced a mechanical failure in 2021 and was deemed a total loss. The District did not own or purchase any additional equipment during the review period.

### Vehicles

As a part of the BMP Implementation Assistance contract with FDACS, the District is responsible for providing the Conservation Technician position with a vehicle to use while completing BMP Cost-Share program deliverables. The District owns a 2015 Ford F-150 that the Conservation Technician uses. The HBoCC pays for insurance and maintenance for the vehicle and is reimbursed by the District.

The District's previous BMP Implementation Assistance contract active at the time of the vehicle's purchase states that FDACS reserves the right to require the District to return any vehicles purchased using contract funds to FDACS at the termination or expiration of the contract without providing any time limits to this right. The District does not maintain a written agreement with the HBoCC for the vehicle and, therefore, does not have any guarantee that the HBoCC will continue to pay insurance on the vehicle or that the HBoCC will comply with any requests to return the vehicle to FDACS. The lack of a written agreement between the District and the HBoCC for the vehicle could potentially result in future challenges for the District to meet its contractual obligation with FDACS.

**Recommendation:** The District should consider proposing a written agreement with the Holmes County Board of County Commissioners to include provisions governing ownership of, payments for, and use of vehicles purchased with FDACS funds, as well as provisions ensuring compliance with FDACS vehicle return requests.

### Facilities

The District has had two separate offices during the review period. Throughout the entire review period, the United States Department of Agriculture's ("USDA") Natural Resources Conservation Service ("NRCS") has allowed the District to use the USDA Bonifay service center to hold Board of Supervisor meetings, store records, and serve as the Administrative Assistant's office. The District does not have a written agreement with NRCS for the office space. Based on discussions with other soil and water conservation districts, M&J has learned that other NRCS offices have been permanently closed and/or relocated with minimal warning, sometimes without providing districts the opportunity to retrieve files stored at the facility. The District does not have an agreement with NRCS for the space which means the District does not have any guarantee that NRCS will provide ample time to recover files in the event of an office closure.

The District has a sublease agreement with the HBoCC that was executed in July 2022. The sublease agreement outlines the District's monthly payment to the HBoCC for office space and utilities at the University of Florida's Institute of Food and Agricultural Sciences Extension office in Holmes County ("Holmes County Extension"). The payment includes \$575 per month for rent and \$75 per month for utilities, internet, printer/copier services, and cleaning expenses. Per the terms of the sublease agreement, the agreement automatically renewed in June 2024, and will renew again in June 2024, barring any changes requested by either the District or the HBoCC.

The District’s facilities during the review period are shown in Figure 7.

**Figure 7: District Facilities by Type and Ownership**

Facility Type	Ownership Status			
	FY21	FY22	FY23	FY24
<b>Registered Address, Office, and Meeting Space</b>	Office and meeting space owned by USDA and provided to the District as an in-kind donation	Office and meeting space owned by USDA and provided to the District as an in-kind donation	Office and meeting space owned by USDA and provided to the District as an in-kind donation	Office and meeting space owned by USDA and provided to the District as an in-kind donation
<b>Office and Meeting Space</b>	N/A	Office and meeting space owned by HBoCC and rented by the District	Office and meeting space owned by HBoCC and rented by the District	Office and meeting space owned by HBoCC and rented by the District

*(Source: Sublease Agreement between the District and HBoCC; District statement)*

**Recommendation:** The District should consider proposing an agreement with NRCS that governs the District’s use of office space and equipment. The agreement should include provisions that ensure the District is provided with a reasonable period of notice in the event of the office’s closure and that the District has the right to access and remove any of its files stored at the office.

#### Current and Historic Revenues and Expenditures

During the review period, Holmes Creek SWCD received revenues from two primary sources, as shown in Figure 8: administrative fees from the FDACS contracts that the District holds and equipment rental fees. The “miscellaneous” category includes accrued interest and other credits that M&J could not identify from the financial information provided.

As part of the District’s contracts, the District is allocated a 5% administrative overhead fee – the District determines the administrative fee by calculating 5% of each reimbursement request and includes the administrative fee in the request. While the reimbursement funds for BMP cost-share agreements and BMP implementation assistance are restricted for use on the BMP programs, the funds generated through the 5% administrative overhead fee are unrestricted funds that the District may use without restrictions or requirements.

M&J sourced financial information from the District’s FY21 through FY23 financial audit reports. M&J additionally reviewed bank account statements from the District’s three accounts for FY22 through FY24, and used those bank statements to analyze the District’s financial activities in FY24. The current District Supervisors were not able to locate any bank statements prior to January 2022 for the District and are unsure whether the District changed banks during the review period. As a result, M&J sourced the FY21 and FY22 financial information from the District’s financial audit reports. Of note: the financial audit reports do not provide a categorization of expenditures, with the exception of some limited categorization in the financial statement included in the FY23 audit report. Additionally, due to a lack of information as to which financial transactions were included in the FY21 through FY23 financial audits and whether any of the debits or credits in the FY24 bank statements were attributed to FY23 by the independent auditor, M&J cannot provide an analysis of the FY21-FY23 financial data versus the FY24 financial data.

**Figure 8: District Total Revenues**

Revenue Source	Total Revenues			
	FY21	FY22	FY23	FY24 (through 12/31/2023)
<b>FDACS Contracts</b>	\$359,534	\$414,460	\$495,108	\$301,511
<b>Equipment Rental Fees</b>	\$425	\$0	\$0	\$0
<b>Miscellaneous</b>	\$18	\$825	\$372	\$1
<b>Total</b>	<b>\$359,977</b>	<b>\$415,285</b>	<b>\$495,480</b>	<b>\$301,512</b>

(Source: FY21-FY23 financial audit reports; District FY24 bank statements)

Figure 9 shows the District’s total expenditures by category for the review period. As previously noted, the FY21 and FY22 financial audit reports did not categorize expenditures, instead labeling all expenditures as “general government.” The financial statement in the FY23 financial audit report listed “conservation” as the District’s primary category, with two sub-categories: “grant related expenses” and “office and other.” In the first quarter of FY24, the District’s largest set of expenditures was the BMP Cost-Share agreements, followed by expenditures related to the BMP Implementation Assistance Program, which included all charges related to the Conservation Technician and their work (e.g., payroll, office lease, utilities, approved travel, fuel, office supplies, etc.). Operating expenses included a subscription to QuickBooks, annual dues and fees, reimbursement for maintenance performed on the no-till drill, and third-party services. M&J classified a series of expenditures as “other,” as the charges were not delineated (e.g., the bank statement said “Amazon” with no product description). The District asserted it was working with an external auditor to identify each of the “other” expenditures as part of the FY23 financial audit and financial statement preparation.

**Figure 9: District Total Expenditures**

Program or Activity	Total Expenditures			
	FY21	FY22	FY23	FY24 (through 12/31/2023)
<b>BMP Cost-Share Agreements</b>			\$474,967	\$256,305
<b>BMP Implementation Assistance</b>				\$33,889
<b>Operating Expenses</b>			\$4,608	\$225
<b>Other</b>			\$0	\$11,566
<b>Total</b>	<b>\$393,603</b>	<b>\$402,343</b>	<b>\$479,575</b>	<b>\$335,874</b>

(Source: FY21-FY23 financial audit reports; District FY24 bank statements)



The District contracted with an independent auditing firm in FY23 to conduct the FY21 financial audit and to prepare 1099-G forms. The District paid the firm \$5,250 for the third-party services.

The District did not have any long-term debt during the review period.

### Trends and Sustainability

The District maintains three bank accounts – one for unrestricted funds (the District’s general fund), one for funds paid to landowners through the cost-share agreements, and one for reimbursement for BMP Implementation Assistance-related expenditures. The general fund is an interest-accruing checking account; the other two funds do not accrue interest.

The District’s unrestricted funds come almost exclusively from the 5% administrative fee that the District receives through FDACS contracts. For approximately a year starting in April 2023, the District did not submit invoices to FDACS for reimbursement of the BMP Implementation Assistance expenditures, so the District did not receive the 5% administrative fees, and therefore unrestricted funds for the second half of FY23 and the first half of FY24. FDACS, Holmes Creek SWCD, and Jackson SWCD identified the problem, and Holmes Creek SWCD subsequently submitted the missing invoices. Even with the missing invoices, the District’s FY23 bank statements indicate that the District generated more revenues than it expended during the year.

The District’s financial audit report for FY21 indicates that the District operated with a deficit for the year. The audit report included a finding that the District should develop and adopt a balanced budget, per the requirements of s. [189.016, Florida Statutes](#). Without an adopted budget, M&J could not determine if the District intended to operate with a deficit for the year, which would be a violation of s. [189.016, Florida Statutes](#).

The FY22 financial audit report indicated that the District operated with a surplus for the year, though the audit report did reiterate the need for a balanced budget. M&J did not receive budgets for any fiscal year in the review period.

While the District maintains a General Ledger through its QuickBooks subscription, the District noted irregularities between the FY23 and FY24 ledgers and bank statements. Supervisors are working with its contracted auditor to correct the irregularities before the issuance of the FY23 financial audit report.

According to interviews with a District Supervisor, the turnover of the entire Board in January 2023 resulted in a loss of institutional knowledge and forced Supervisors to rely heavily on then-current staff. While M&J acknowledges the adverse findings presented in this subsection, M&J has not included recommendations other than developing and adopting a balanced budget as Supervisors took immediate action upon discovery of the invoicing issue and ledger irregularities. Supervisors acknowledged that they did not review the District’s bank account statements until the aforementioned issues were discovered but reviewed printed statements and accessed the District’s online banking portal to provide M&J with bank statements. The District provided a verbal statement that Supervisors are collectively reviewing District finances and bank statements at Board meetings, indicating that Supervisors are taking a more active role in managing the District’s finances.

Even if the District operates with a slight deficit for a couple of years, the accumulated assets will be enough to maintain the District for the short term. If the District does not invoice FDACS for reimbursement funds and does not develop balanced budgets to manage the District's activities, the District may have issues with sustainability in the long term.

**Recommendation:** The District should consider developing and adopting a balanced budget for each fiscal year. The budget should include expected revenues, including the source of each revenue or category of each revenue (*e.g.*, administrative fees, government grants, fees for equipment rentals, etc.). The budget should also include expected expenditures, including both regular expenses and categorization of other expenditures (*e.g.*, sponsorship of programs and activities, BMP Cost-Share Program-related expenses, etc.). The budgeted expenditures should not exceed budgeted appropriations or total expected revenues, per the requirements of s. [189.016\(3\)](#), *Florida Statutes*.

## II.C: Performance Management

### Strategic and Other Future Plans

Holmes Creek SWCD does not have a strategic plan in place. M&J reviewed Board of Supervisor meeting minutes and did not find evidence that District Supervisors discussed implementing a strategic plan during the review period (October 1, 2020, through April 30, 2024).

**Recommendation:** The District should consider developing and then adopting a strategic plan that builds on the District's purpose and vision. The strategic plan should not simply describe the District's current programs or contracts but rather reflect the District's long-term and short-term priorities based on the needs of the community and in response to changing land use patterns within the District's service area.

### Goals and Objectives

Holmes Creek SWCD does not have any goals developed for District operations. Supervisors provided a written statement to M&J that the District's mission is "providing services needed by Holmes County landowners to conserve, develop, and protect our natural resources." The District provided the following objectives for achieving that mission in a written statement:

- Implement best management conservation practices
- Partner with state and federal governments to assist with conservation of natural resources
- Conserve and restore wetlands, which purify water and provide habitat for birds, fish, and numerous other animals
- Protect groundwater resources
- Help producers, developers, and homeowners manage the land in an environmentally sensitive manner
- Reach out to communities and schools to teach the value of natural resources and encourage conservation efforts

M&J has not received evidence that the Board of Supervisors voted to approve the aforementioned objectives.

**Recommendation:** The District should consider writing and then adopting a set of goals and objectives that align with the District’s statutory purpose, as defined in s. [582.02\(4\)](#), *Florida Statutes*, and the Board’s vision and priorities as established in the District’s strategic plan. The goals and objectives should contemplate measurable progress, capturing the results of the District’s efforts and ensuring a consistent direction forward for the District’s future prioritization of programs and activities.

### Performance Measures and Standards

Holmes Creek SWCD does not utilize locally developed performance measures for any programs or services managed directly by the District. Holmes Creek SWCD maintains contracts with the FDACS for the Best Management Practices BMP Cost-Share and Conservation Technician BMP Implementation Assistance programs. Each contract has a different set of deliverables in the scoping documents associated with each contract.

The Conservation Technician and the Administrative Assistant positions are both responsible for ensuring that each deliverable is met according to the specific contract. Deliverables for the Conservation Technician include the following items:

- Assisting producers with enrolling in the BMP Cost-Share program and filling out the appropriate Notice of Intent (“NOI”) to Implement BMPs
  - The Conservation Technician is required to submit at least 36 NOI enrollments during the fiscal year.
  - The BMP Implementation Assistance contract was amended in June 2022 to require the Conservation Technician to respond and assist 98% of the agriculture producers assigned to them by the FDACS Project Manager that submitted enrollment requests.
- Conducting Implementation Verification Site Visits
  - The Conservation Technician is required to submit at least 36 implementation verification visits each fiscal year.
  - The BMP Implementation Assistance contract was amended in June 2022 to require the Conservation Technician to contact and schedule at least 50% of the assigned Implementation Verification site visits.
- Provide cost-share assistance to agriculture producers by referring them to different FDACS BMP programs when necessary
  - The Conservation Technician is required to provide assistance on at least five BMP Cost-Share projects each fiscal year.
  - The BMP Implementation Assistance contract was amended in June 2022 to require the Conservation Technician to respond to mailout enrollment requests within 30 business days 98% of the time.
- Assist producers in completing an annual Common Practice Status Report
  - The Conservation Technician is required to provide assistance to 80% of the producers who are required to complete annual Common Practice Status Reports.
  - The BMP Implementation Assistance contract was amended in June 2022 to require the Conservation Technician to assist producers in using the proper cost-share process with accurate completion 95% of the time.

- Participate in staff meetings and all trainings and monthly one-on-one FDACS Project Manager and Contract Manager Deliverable Reviews
  - The Conservation Technician is responsible for attending at least four training events per year and at least 10 monthly staff meetings per year.
  - The BMP Implementation Assistance contract was amended in June 2022 to remove the requisite number of events and meetings.

Deliverables for the Administrative Assistant include the following items:

- Assist the Conservation Technician by performing financial and reporting duties
- Submit the contract financial close-out and reconciliation reports and a copy of the Annual Audit Report

Both the Conservation Technician and the Administrative Assistant are responsible for submitting monthly activity logs to FDACS, including a Conservation Technician Performance Work Plan, Field Staff Activity Report, and an Administrative Log and Timesheet.

The District currently does not have the Conservation Technician position filled. The previous individual went on maternity leave in October 2023 and subsequently resigned in February 2024. While the District has worked with FDACS to maintain normal administration of the cost-share agreements, the District has not been meeting the aforementioned deliverables since October 2023 and will not be able to do so until a new Conservation Technician position is hired. As of the end of the review period (April 30, 2024), the District had begun hiring for the Conservation Technician position, in a joint effort with the Holmes County Board of County Commissioners and FDACS.

**Recommendation:** The District should consider identifying and tracking additional performance measures and establishing additional standards that may be useful in evaluating the District’s performance in administering the BMP Cost Share and BMP Implementation Assistance programs, such as estimates of irrigation water conserved or of fertilizer runoff prevented.

#### Analysis of Goals, Objectives, and Performance Measures and Standards

Holmes Creek SWCD does not have a strategic plan or adopted goals or objectives. The District’s only performance measures are those required by FDACS contracts. These performance measures do not serve to evaluate the District’s ability to deliver services or develop meaningful insights into other District activities.

The District’s performance standards are the deliverable requirements that are outlined in the BMP Cost-Share Program contract and the BMP Implementation Assistance contract with FDACS. A June 2022 amendment to the BMP Implementation Assistance contract maintained the same deliverables but changed the Conservation Technician’s performance standards. The deliverable requirements in the BMP Implementation Assistance contract have not been met since the previous Conservation Technician went on maternity leave in October 2023.

As stated earlier in this section of the report, M&J recommends that the District consider developing and adopting a strategic plan, and subsequently goals and objectives, as well as performance measures and standards if appropriate, to provide the District direction and ensure that current and future programs and activities align with its statutory purpose, as defined in s. [582.02\(4\)](#), *Florida Statutes*.

## Annual Financial Reports and Audits

Holmes Creek SWCD is required per s. [218.32, Florida Statutes](#), to submit an Annual Financial Report to the Florida Department of Financial Services within nine months of the end of the District's fiscal year (September 30). The District was delinquent with both the FY21 and FY22 Annual Financial Reports, submitting the FY21 Annual Financial Report approximately 20 months after the compliance deadline and the FY22 Annual Financial Report approximately 15 months after the compliance deadline. The current Supervisors were not able to identify why the Supervisors seated prior to January 2023 had not submitted the FY21 and FY22 Annual Financial Reports.

Holmes Creek SWCD contracted with a public accountant to assist the District with audits required by s. [218.39, Florida Statutes](#). During the review period, the District's annual revenues consistently exceeded the \$100,000 threshold, which necessitated an annual financial audit. Like the Annual Financial Reports for FY21 and FY22, the financial audit report for FY21 was submitted approximately 20 months after the compliance deadline and the financial audit report for FY22 was submitted approximately 15 months after the compliance deadline. As previously mentioned, the current Supervisors could not provide insight into why the previous Board did not engage an auditor in a timely manner, but the current Board took the necessary steps to rectify the District's non-compliance as soon as the Supervisors were made aware of the issue.

The District engaged an auditor to conduct the FY23 audit, which was completed on June 30, 2024 (the day of the compliance deadline) and submitted on July 11.

The District's FY21 and FY22 financial audit reports included the following repeat findings, which are similar to those present in the financial audit reports of other small government entities:

- Certain accounting and administrative duties were not segregated sufficiently to achieve an adequate internal control structure.
- The District's system of internal accounting control over the financial reporting is not sufficient by itself to prevent, detect, or correct misstatements in the audited financial statements.

Additionally, the financial audit reports each included a finding regarding the District's lack of a balanced budget. In FY21, the auditor recommended that the District should prepare a budget and make necessary amendments throughout the year. In FY22, the auditor reiterated the importance of a balanced budget in which expenditures do not exceed budgeted appropriations.

The District's FY23 financial audit report included the repeat findings from the prior two years' reports, as well as the budget finding from the FY22 report. The FY23 financial audit report additionally added two new findings, which are also similar to those present in the financial audit reports of other small government entities:

- District personnel have limited knowledge and familiarity with governmental accounting standards, which prohibits the District from being able to prepare its financial statements with adequate and proper disclosures (such as external auditor assistance in substantially drafting the financial statements) and free of material misstatements.
- Prior year audit findings emphasize the need for strong, continuing leadership from the Board due to the lack of separation of duties, which resulted in weakened internal controls during the complete turnover of Supervisors in January 2023.

Repeated audit findings may pose financial and legal risks to the District. Repeat audit findings can result in the District being reported to the Legislative Auditing Committee by the Auditor General, which in turn could result in public hearings regarding the District's current and future operations. In extreme cases, a failure to address repeat audit findings could result in the District being declared inactive and subsequently dissolved. Auditors acknowledge that this finding is required for inclusion and is common for many small governments. There are options for mitigating or addressing this finding, such as hiring additional finance staff or contracting with individuals or firms with accounting knowledge and experience necessary to review the financial entries and prepare the financial statements. These options may not be cost-effective methods of mitigating the risk, may not fully address the finding, and may not be feasible given the District's current resources.

The District Treasurer identified in an interview with M&J that the District was implementing new internal controls, including all Supervisors reviewing hard copies of the District's bank statements at every meeting and comparing the statements to balance sheets produced by QuickBooks.

The FY23 financial audit report was not made publicly available on the Florida Auditor General's website prior to the finalization of M&J's review report in July 2024.

The District has until June 30, 2025, to submit the FY24 Annual Financial Report and audit report.

**Recommendation:** The District should consider refining its timeline for preparing and submitting the Annual Financial Report and engaging an auditor for the preparation and submission of a Financial Audit Report to the Auditor General and Florida Department of Financial Services to ensure that the District is meeting the requirements of ss. [218.32\(1\)\(a\)](#), [218.39\(1\)\(c\)](#), and [218.39\(1\)\(i\)](#), *Florida Statutes*.

**Recommendation:** The District should consider exploring opportunities and means to mitigate its repeated audit findings that the District's accounting and administrative duties were not segregated sufficiently, and that the District's system of internal accounting control over financial reporting is not sufficient to prevent misstatements. The District could consider exploring local resources, such as requesting assistance from a local government, a public university, or another public entity that has experience creating segregation of duties for financial processes.

### Performance Reviews and District Performance Feedback

Holmes Creek SWCD has not had any operational or performance assessments conducted during the review period.

The District holds periodic Board of Supervisor meetings where District Supervisors and staff have the chance to discuss the District's activities and programs and hear from representatives from public entities, including the NRCS District Conservationist, representatives from FDACS, and other key stakeholders. However, because the District only recently began providing donations to agriculture entities, the District has not had many opportunities to solicit feedback.

Supervisors provided a verbal statement that the District plans on surveying agriculture producers in the District's service area regarding needed program and equipment once the Conservation Technician is hired. The District Supervisors plan to take the information and use it to determine future program and service offerings.

**Recommendation:** The District should consider implementing a system for collecting feedback from conservation partners, agricultural producers that the District serves, and program participants, and creating a process to systematically review feedback. The District should consider using the findings from the review of feedback to refine the District’s service delivery methods.

## II.D: Organization and Governance

### Election and Appointment of Supervisors

Supervisors are required by s. [582.19\(1\)\(b\)](#), *Florida Statutes*, to sign an affirmation that they meet certain residency and agricultural experience requirements. These signed affirmations are required of both elected and appointed Supervisors.

The five current Supervisors were elected in the November 2022 election. M&J requested the elected Supervisors’ affirmations as part of a public records request to the Holmes County Supervisor of Elections, and received an affirmation of qualifications for each Supervisor.

The Florida Secretary of State’s Notice of General Election for Holmes County indicates seats 2 and 4 are up for election in the November 2024 general election, which follows the statutorily required cycle.

### Notices of Public Meetings

Section [189.015](#), *Florida Statutes*, requires that all Board of Supervisors (“Board”) meeting minutes be publicly noticed in accordance with the procedures listed in ch. [50](#), *Florida Statutes*. This chapter has been amended twice during the review period (October 1, 2020, through April 30, 2024), and M&J reviewed for compliance with the governing statute in effect at the time of each meeting date and applicable notice period.

The District posts the time and place of the Board meetings on the District’s website. The District has not been placing meeting notices in any local newspapers within Holmes County. M&J did find meeting notices for the 2023 Board of Supervisors meetings posted on the *Florida Administrative Register*. Additionally, in an interview with M&J, the District Treasurer stated that notices are posted to boards at the United States Department of Agriculture service center and the county courthouse.

M&J’s review concluded that the District did not meet the requirements of the version of ch. [50](#), *Florida Statutes*, in effect at the time of each meeting date and applicable notice period. Prior to January 2023, ch. [50](#), *Florida Statutes*, required any board located in a county with a county-wide newspaper to publish meeting notices in that newspaper. The District did not meet this requirement for meetings held in 2021 and 2022. Since January 2023, ch. [50](#), *Florida Statutes*, has permitted publication of meeting notices on a publicly accessible website (such as the *Florida Administrative Register*) as long as the board publishes a notice once a year in the local newspaper identifying the location of meeting notices and stating that any resident who wishes to receive notices by mail or e-mail may contact the Board with that request. The District did not meet this requirement for meetings held in 2023 and 2024.

Failure to provide appropriate notice in full accordance with ch. [50](#), *Florida Statutes*, may deny the public an opportunity to attend meetings and participate in District business. Violation of this chapter of the *Florida Statutes* may subject District Supervisors and staff to penalties, including fines, fees, and misdemeanor charges, as outlined in s. [286.011](#), *Florida Statutes*. Additionally, business conducted at such meetings may be invalidated.

**Recommendation:** The District should consider improving Board of Supervisors meeting notice procedures to ensure compliance with s. [189.015](#) and ch. [50](#), *Florida Statutes*. The District should retain records that document its compliance with the applicable statutes.

#### Retention of Records and Public Access to Documents

Holmes Creek SWCD has Board meeting minutes posted for February 2020 and prior on its website. The District does not have meeting minutes posted on the website for any Board meeting conducted during the review period.

The District was able to provide Board meeting minutes for May 2021; March, April, and May 2022; and January, March, April, August, and December 2023. The District was not able to provide bank statements for calendar years 2020, and 2021, and any documentation that the District could provide prior to the change in Board membership in January 2023 was limited. In an interview with M&J, the District Treasurer indicated that Supervisors were reviewing boxes of documents left by previous District employees to determine what records the District has retained.

The District's uncertainty regarding available documentation could result in a failure to retain records in accordance with s. [119.021](#), *Florida Statutes*. Failure to retain records may limit transparency into District activities, negatively impact Supervisor and staff transitions, and violate the requirement to provide access to public records for personal inspection and copying by any person, as required by s. [119.07](#), *Florida Statutes*. Violation of these sections may subject District Supervisors and staff to penalties, including fines, suspension and removal or impeachment, and misdemeanor charges, as outlined in s. [119.10](#), *Florida Statutes*.

**Recommendation:** The District should consider improving record retention procedures and access to public records in accordance with ch. [119](#), *Florida Statutes*, to enhance transparency and avoid loss of institutional knowledge. The District could consider duplicating records to be stored in separate locations to mitigate loss of records due to technology failures, accidental disposition of records, or natural disasters and other acts of God. The District could further consider designing or acquiring an electronic recordkeeping system, either independently or through partnership with a local government, another soil and water conservation district, or other public entity.



### III. Recommendations

The following table presents M&J’s recommendations based on the analyses and conclusions in the Findings sections, along with considerations for each recommendation.

Recommendation Text	Associated Considerations
<p>The District should consider proposing a written agreement with the Holmes County Board of County Commissioners (“HBoCC”) to include provisions governing ownership of, payments for, and use of vehicles purchased with Florida Department of Agriculture and Consumer Services (“FDACS”) funds, as well as provisions ensuring compliance with FDACS vehicle return requests.</p>	<ul style="list-style-type: none"> <li>• Potential benefits: Implementing a written agreement with the HBoCC will codify administrative matters regarding the District’s vehicle and help ensure that the memorandum of understanding aligns with actual practice, which reduces the risk of potential disagreements or misunderstandings between the District and the HBoCC.</li> <li>• Potential adverse consequences: None significant</li> <li>• Costs: None</li> <li>• Statutory considerations: None</li> </ul>
<p>The District should consider proposing an agreement with the Natural Resources Conservation Service (“NRCS”) that governs the District’s use of office space and equipment. The agreement should include provisions that ensure the District is provided with a reasonable period of notice in the event of the office’s closure and that the District has the right to access and remove any of its files stored at the office.</p>	<ul style="list-style-type: none"> <li>• Potential Benefits: A signed and approved agreement will allow the District more protection in the case of building sale or closure. The District will be able to receive ample time to recover records and supplies in the case of a closure.</li> <li>• Potential Adverse Consequences: None significant</li> <li>• Costs: None significant</li> <li>• Statutory Considerations: None significant</li> </ul>

Recommendation Text	Associated Considerations
<p>The District should consider developing and adopting a balanced budget for each fiscal year. The budget should include expected revenues, including the source of each revenue or category of each revenue (e.g., administrative fees, government grants, fees for equipment rentals, etc.). The budget should also include expected expenditures, including both regular expenses and categorization of other expenditures (e.g., sponsorship of programs and activities, BMP Cost-Share Program-related expenses, etc.). The budgeted expenditures should not exceed budgeted appropriations or total expected revenues, per the requirements of s. <a href="#">189.016(3)</a>, <i>Florida Statutes</i>.</p>	<ul style="list-style-type: none"> <li>• Potential benefits: A balanced budget will allow the District to plan for expected revenues and expenditures, while also providing greater transparency regarding financial information in the case of an open records request</li> <li>• Potential adverse consequences: None</li> <li>• Costs: There are potential costs for any budgeting software purchases by the District.</li> <li>• Statutory considerations: The District will be able to review the budget to ensure that budgeted expenditures do not exceed budgeted appropriations or total expected revenues, per the requirements of s. <a href="#">189.016(3)</a>, <i>Florida Statutes</i></li> </ul>
<p>The District should consider developing and then adopting a strategic plan that builds on the District’s purpose and vision. The strategic plan should not simply describe the District’s current programs or contracts, but rather reflect the District’s long-term and short-term priorities based on the needs of the community and in response to changing land use patterns within the District’s service area.</p>	<ul style="list-style-type: none"> <li>• Potential benefits: The District will have a better understanding of the community’s needs and more guidance for decision making related to program funding.</li> <li>• Potential adverse consequences: None significant</li> <li>• Costs: There could be possible costs if the District uses a third-party vendor for assistance.</li> <li>• Statutory considerations: The District can ensure identified strategies align with the District’s statutory purpose and authority.</li> </ul>

Recommendation Text	Associated Considerations
<p>The District should consider writing and then adopting a set of goals and objectives that align with the District’s statutory purpose, as defined in s. <a href="#">582.02(4)</a>, <i>Florida Statutes</i>, and the Board’s vision and priorities as established in the District’s strategic plan. The goals and objectives should contemplate measurable progress, capturing the results of the District’s efforts and ensuring a consistent direction forward for the District’s future prioritization of programs and activities.</p>	<ul style="list-style-type: none"> <li>• Potential benefits: The District can develop specific actions to take to address the community’s needs as described in the strategic plan.</li> <li>• Potential adverse consequences: None significant</li> <li>• Costs: There are possible costs if the District uses a third-party vendor for assistance.</li> <li>• Statutory considerations: The District can ensure goals and objectives align with the District’s statutory purpose and authority.</li> </ul>
<p>The District should consider identifying and tracking additional performance measures and establishing additional standards that may be useful in evaluating the District’s performance in administering the Best Management Practices (“BMP”) Cost Share and BMP Implementation Assistance programs, such as estimates of irrigation water conserved or of fertilizer runoff prevented.</p>	<ul style="list-style-type: none"> <li>• Potential benefits: Tracking additional BMP Cost-Share and Implementation Assistance performance measures will allow the District to provide more information regarding the successes and/or failures of various BMPs</li> <li>• Potential adverse consequences: None significant</li> <li>• Costs: It will take additional time and resources such as vehicle-related expenses to track performance measures such as irrigation water conserved or fertilizer run-off</li> <li>• Statutory considerations: None significant</li> </ul>
<p>The District should consider refining its timeline for preparing and submitting the Annual Financial Report and engaging an auditor for the preparation and submission of a Financial Audit Report to the Auditor General and Florida Department of Financial Services to ensure that the District is meeting the requirements of ss. <a href="#">218.32(1)(a)</a>, <a href="#">218.39(1)(c)</a>, and <a href="#">218.39(1)(i)</a>, <i>Florida Statutes</i>.</p>	<ul style="list-style-type: none"> <li>• Potential benefits: By redefining the District’s timeline for submitting Annual Financial reports, the District can ensure that it is submitting Annual Financial Reports on time</li> <li>• Potential adverse consequences: None significant</li> <li>• Costs: None significant</li> <li>• Statutory considerations: The District is required to submit Annual Financial Reports and Financial Audit Reports per the requirements of ss. <a href="#">218.32(1)(a)</a>, <a href="#">218.39(1)(c)</a>, and <a href="#">218.39(1)(i)</a>, <i>Florida Statutes</i>. Redefining timelines will allow the District to adhere to these requirements</li> </ul>

Recommendation Text	Associated Considerations
<p>The District should consider exploring opportunities and means to mitigate its repeated audit findings that the District’s accounting and administrative duties were not segregated sufficiently, and that the District’s system of internal accounting control over financial reporting is not sufficient to prevent misstatements. The District could consider exploring local resources, such as requesting assistance from a local government, a public university, or another public entity that has experience creating segregation of duties for financial processes.</p>	<ul style="list-style-type: none"> <li>• Potential benefits: Addressing the District’s recurring audit finding will both allow the District to better comply with Generally Accepted Accounting Principles when managing its financial records and will reduce the risk that the District will receive similar negative audit findings in the future</li> <li>• Potential adverse consequences: None significant</li> <li>• Costs: Implementing this recommendation may cause the District to incur costs related to hiring or contracting with properly trained assistance</li> <li>• Statutory considerations: None</li> </ul>
<p>The District should consider implementing a system for collecting feedback from conservation partners, agricultural producers that the District serves, and program participants, and creating a process to systematically review feedback. The District should consider using the findings from the review of feedback to refine the District’s service delivery methods.</p>	<ul style="list-style-type: none"> <li>• Potential benefits: Implementing a system to collect feedback from partners, agricultural producers, and program participants will give the District an additional source of information to use in evaluating the performance of the District’s programs and sponsorships and may help the District to identify and/or evaluate potential improvements to service delivery methods.</li> <li>• Potential adverse consequences: None significant</li> <li>• Costs: There could be possible minor data collection and storage fees associated with implementing the recommendation.</li> <li>• Statutory considerations: None</li> </ul>
<p>The District should consider improving Board of Supervisor meeting notice procedures to ensure compliance with s. <a href="#">189.015</a> and ch. <a href="#">50, Florida Statutes</a>. The District should retain records that document its compliance with the applicable statutes.</p>	<ul style="list-style-type: none"> <li>• Potential benefits: Compliance with s. <a href="#">189.015</a> and ch. <a href="#">50, Florida Statutes</a>, can improve transparency and provide more opportunities for public engagement.</li> <li>• Potential adverse consequences: None significant</li> <li>• Costs: None</li> <li>• Statutory considerations: The District should ensure it is following the procedure established by the version of ch. <a href="#">50, Florida Statutes</a>, in effect at the time of the meeting notice publication.</li> </ul>

Recommendation Text	Associated Considerations
<p>The District should consider improving record retention procedures and access to public records in accordance with ch. <a href="#">119</a>, <i>Florida Statutes</i>, to enhance transparency and avoid loss of institutional knowledge. The District could consider duplicating records to be stored in separate locations to mitigate loss of records due to technology failures, accidental disposition of records, or natural disasters and other acts of God. The District could further consider designing or acquiring an electronic recordkeeping system, either independently or through partnership with a local government, another soil and water conservation district, or other public entity.</p>	<ul style="list-style-type: none"> <li>• Potential Benefit: Ensuring that meeting minutes, meeting agendas, financial records, and other relevant information are appropriately kept, will ensure that members of the public have easy access to District records and be provided with greater transparency in decision making.</li> <li>• Potential Adverse Consequences: None significant</li> <li>• Costs: None</li> <li>• Statutory Considerations: None</li> </ul>

## IV. District Response

Each soil and water conservation district under review by M&J was provided the opportunity to submit a response letter for inclusion in the final published report. Holmes Creek SWCD did not provide M&J with a response letter for inclusion in the final report.