ONEIDA SOIL & WATER CONSERVATION DISTRICT

BASIC FINANCIAL STATEMENTS

JUNE 30, 2024

Robert D Hardy, CPA, PC
Certified Public Accountant • Business Consultant

INDEPENDENT AUDITORS' REPORT

Board of Directors
Oneida Soil & Water Conservation District
Malad City, Idaho

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Oneida Soil & Water Conservation District (the District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material missatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 12, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

ROBERT D HARDY, CPA, PC
Idaho Falls, ID
February 12, 2025

ONEIDA SOIL & WATER CONSERVATION DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2024

	Governmental Activities
ASSETS	
Cash and cash equivalents	$ 295,932
Accounts receivable	2,241
Prepaids	1,633
Capital assets (net of accumulated depreciation)	
Equipment	90,919
Total Assets	$ 390,725
LIABILITIES	
Accounts payable	$ 1,381
Salaries and wages payable	19,116
Payroll taxes payable	9,480
Total Liabilities	29,977
NET POSITION	
Net investment in capital assets	90,919
Unrestricted	269,829
Total Net Position	$ 360,748

The Notes to the Financial Statements are an Integral Part of this Statement

ONEIDA SOIL & WATER CONSERVATION DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

Function / Program	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenues and Changes in Net Position
Governmental Activities:					
General Government	$ 546,563	$ 127,108	$ 292,821	$ –	$ (126,634)
Total Primary Government	$ 546,563	$ 127,108	$ 292,821	$ –	(126,634)

General Revenues	
Investment Earnings	11,441
Total General Revenues	11,441
Changes in Net Position	(115,193)
Net Position, July 1	475,941
Net Position, June 30	$ 360,748

The Notes to the Financial Statements are an Integral Part of this Statement

ONEIDA SOIL & WATER CONSERVATION DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024

	General	Total Governmental Funds
Assets		
Cash and cash equivalents	$ 295,932	$ 295,932
Accounts receivable	2,241	2,241
Prepaids	1,633	1,633
Total Assets	$ 299,806	$ 299,806
Liabilities, Deferred Inflows of Resources, and Fund Balances		
Liabilities:		
Accounts payable	$ 1,381	$ 1,381
Salaries and wages payable	19,116	19,116
Payroll liabilities	9,480	9,480
Total Liabilities	29,977	29,977
Deferred Inflows of Resources:		
Unearned revenue	9,474	9,474
Fund balances:		
Unassigned	260,355	260,355
Total Fund Balances	260,355	260,355
Total Liabilities and Fund Balances	$ 299,806	$ 299,806

Total governmental fund balances	$ 260,355
Amounts reported for governmental activities in the statement of net position are different because:	
Deferred revenue is not available to pay current period expenditures; therefore, is not reported in the funds.	9,474
Capital assets used in governmental activities are not financial resources and; therefore, are not reported in the funds.	90,919
Net position of governmental activities	$ 360,748

The Notes to the Financial Statements are an Integral Part of this Statement

ONEIDA SOIL & WATER CONSERVATION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	General	Total Governmental Funds
Revenues		
Boat Station	$ 190,042	$ 190,042
Intergovernmental Grants and Donations	71,554	71,554
319 Grant	202,880	202,880
Local Government Grants	16,500	16,500
Drill Income	11,369	11,369
Interest	11,441	11,441
Miscellaneous	1,887	1,887
Total Revenues	505,673	505,673
Expenditures		
Program Expense		
Salaries, benefits and taxes	169,983	169,983
Other program expenses	290,864	290,864
Administrative Expenses		
Salaries, benefits and taxes	43,667	43,667
Advertising, donations, and sponsorship	9,075	9,075
Bank fees	306	306
Dues and subscriptions	1,963	1,963
Educational	1,830	1,830
Insurance	6,584	6,584
Office and computer expense	3,079	3,079
Professional fees	6,725	6,725
Travel	5,118	5,118
Vehicle expense	101	101
Total Expenditures	539,295	539,295
Excess of revenues over (under) expenditures	(33,622)	(33,622)
Fund Balances, July 1	293,977	293,977
Fund Balances, June 30	$ 260,355	$ 260,355

Amounts reported for governmental activities in the statement of activities are different because:	
Net changes in fund balances-total governmental funds	$ (33,622)
Net change in deferred revenue	(74,303)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	(7,268)
Changes in net position of governmental activities.	$ (115,193)

The Notes to the Financial Statements are an Integral Part of this Statement

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Oneida Soil & Water Conservation District have been prepared in conformity with the generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies of the District are described below:

Reporting Entity

As required by generally accepted accounting principles, these financial statements present the Oneida Soil & Water Conservation District. The District is governed by an elected Board of Directors which possesses final decision making authority and is held primarily accountable for those decisions. The Board of Directors is responsible for approving the budget, establishing spending limitations, funding and deficits and borrowing funds and/or issuing bonds to finance construction. There are no other boards, councils, or component units for which the Oneida Soil & Water Conservation District exercises authority.

Government-Wide Financial Statements

The government-wide financial statements, which are the statement of net position and the statement of activities, report information on all of the nonfiduciary activities of the primary government. Government activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely a significant extent on fees and charges for support.

The statement of net position presents the financial condition of the governmental activities of the District at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities of the District. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements

During the year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. The Oneida Soil & Water Conservation District has no non-major funds, no fiduciary funds and no enterprise funds.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, as are the propriety fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current 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 of soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers property tax revenues to be available if they are collected within 60 days of the end of the current fiscal period and other revenues if they are collected within 90 days of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debts service expenditures, as well as expenditures related to compensated absences and claims and judgements, are recorded only payment is due.

The government reports the following major governmental fund:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Deposits and Investments

Statutes authorize the District to invest in obligations of the United States, obligations of the State or any taxing district in the State, obligations issued by the Farm Credit System, obligations of public corporations of the State of Idaho, repurchase agreements, tax anticipation notes of the State or any taxing district in the State, time deposits, savings deposits, revenue bonds of institutions of higher education, and the State Treasurer's Pool. Deposits (cash and certificates of deposit) are carried at cost which approximates market value except for outstanding checks which had not cleared the accounts by the end of the year.

Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, the District's deposits may not be returned or the District will not be able to recover collateral securities in the possession of an outside party. The District's funds are invested in cash and or certificates of deposits in institutions covered by the Federal Deposit Insurance Corporation insurance (FDIC). As of June 30, 2024, the District's cash and investments consisted of $295,932 in business checking with local banks and with the Idaho State Treasurer's Fund. Fair market value and cost were the same. Average credit quality ratings and the weighted average days to maturity do not apply to these deposits. All information pertaining to the Idaho State Treasurer's Fund can be obtained at http://sto.idaho.gov. Currently, $227,945 of the District's deposits are not covered by the Federal Deposit Insurance Corporation.

Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issue. The District's currently has the all of its deposits with one local banks and the Idaho State Treasurer's Fund, therefore, exceeds the 5 percent of its total assets with a single institution.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The District's deposits within the FDIC limits should not be adversely effected by a change in interest rates because cost and fair market value are the same.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventories

The governmental funds of the District use the purchase method, whereby inventory items are considered expenditures when purchased. They are not included in the financial statements because the amounts outstanding at year end are immaterial.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, lighting systems, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. All material fixed assets are valued at historical cost. Donated fixed assets are valued at their estimated fair value on the date donated. When an asset is disposed of, cost and related accumulated depreciation is removed, and any gain or loss arising from its disposal is credited or charged to operations. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

Depreciation of all exhaustible fixed assets is charged as an expense against operations. Capital assets are reported net of accumulated depreciation on the statement of net position. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Buildings and improvements	30-40 years
Equipment	10-20 years
Furniture and fixtures	10-20 years

Short-term Liabilities

The District has no unused lines of credit or pledged assets at year end.

Long-term Liabilities

The District has no long-term liabilities.

Budgets and Budgetary Accounting

The District did not prepare a published budget for his current fiscal year. The board has prepared an internal budget for the current fiscal year for management purposes only.

Restricted Assets

Cash and investments, the use of which is restricted for the repair of facilities, payment of debt service, and other items specified by the bondholders are classified as restricted assets. The District has no outstanding bonds or restricted cash.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the District.

Compensated Absences

The District has paid personal leave (PTO) for the administrative assistant, the only full-time employee. The maximum days earned per year is 26 days after 15 years of service. The administrative assistant is paid salary with not formal accounting of her PTO time. Accordingly, no liability for such future compensated absences has been accrued in these financial statements.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Retirement Plans

The District offers no formal pension or retirement benefits for its employees.

Governmental Fund Balances

The District has implemented GASB No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, for the fiscal year ended June 30, 2024. In the fund financial statements, governmental funds report the following classifications of fund balance:

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 with constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments; or through constitutional provisions or enabling legislation.

Committed – Amounts that can only be used for specific purposes pursuant to constraints imposed by the District's Board through an ordinance or resolution. The District had no committed fund balances on June 30, 2024.

Assigned – Amounts that are constrained by an intent to be used for specific purposes but are neither restricted nor committed.

Unassigned – All amounts not included in other spendable classifications.

2. RISK MANAGEMENT/INSURANCE COVERAGE

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has transferred most if its risks by purchasing commercial insurance. Workman's Compensation is purchased through the Idaho State Insurance Fund.

All other insurance has been purchased through the Idaho Counties Risk Management Program. The current year policy expires June 30, 2024 and has been renewed to June 30, 2025. The policy coverage's include: All risks of physical loss or damage, automobile physical damage, comprehensive general liability, premises medical payments, law enforcement liability, automobile liability, errors or omissions liability, employee dishonesty, money & securities, and depositors forgery.

3. CAPITAL ASSETS

A summary of changes in capital assets is as follows:

	Balance 2023	Additions	Retirements	Balance 2024
Governmental Activities:				
Machinery and equipment	$ 109,024	$ –	$ –	$ 109,024
	109,024	–	–	109,024
Accumulated Depreciation:				
Machinery and equipment	10,837	7,268	–	18,105
	10,837	7,268	–	18,105
Net Book Value:				
Machinery and equipment	98,187	(7,268)	–	90,919
	$ 98,187	$ (7,268)	$ –	$ 90,919

4. SUBSEQUENT EVENTS

The District has evaluated subsequent events through February 12, 2025, the date the financial statements were available to be issued. No significant events have been identified that would require adjustment of or disclosure in the accompanying financial statements.

5. OTHER REQUIRED DISCLOSURES

The District had no related party transactions during the year. The District is not obligated for any special assessment debt.

Robert D Hardy, CPA, PC
Certified Public Accountant • Business Consultant

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*

To the District Board
Oneida Soil & Water Conservation District
Malad City, Idaho

We have audited, 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, the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Oneida Soil & Water Conservation District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Oneida Soil & Water Conservation District's basic financial statements and have issued our report thereon dated February 12, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Oneida Soil & Water Conservation District, Idaho's internal control over financial reporting (internal control) as a basis for deigning 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 Oneida Soil & Water Conservation District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Oneida Soil & Water Conservation 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 sever 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 have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as item 2024-1 that we consider to be a significant deficiency.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Oneida Soil & Water Conservation District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial

statements However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Governmental Auditing Standards.*

The Oneida Soil & Water Conservation District's Response to Findings

Government Auditing Standards require the auditor to perform limited procedures on the Oneida Soil & Water Conservation District's response to the finding identified in our audit and described in the accompanying schedule of findings and responses. The Oneida Soil & Water Conservation District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Idaho Falls, Idaho
February 12, 2025

ONEIDA SOIL & WATER CONSERVATION DISTRICT
Schedule of Findings and Responses
For the Year Ended June 30, 2024

Finding 2024-1: Lack of segregation of duties

Condition: The District lacks a segregation of duties over accounting functions, including stewardship of cash and cash equivalents.

Criteria: Inherent in an adequate internal control structure is a segregation of duties governing the overall administration and stewardship of assets.

Effect: A lack of segregation of duties increases the risk that loss of assets would not be prevented or detected in a timely manner and in the normal course of operations.

Recommendation: We suggest the District expand its personnel to assist in accounting and stewardship duties.

Response: The cost of hiring additional personnel outweighs the benefit to be derived. The District acknowledges mitigating controls are in place such as dual signatures on checks, monthly review of all disbursements by council, and monthly review of financial reports prepared by the administrative assistant.