VALLEY SOIL & WATER CONSERVATION DISTRICT

Report on Audited
Basic
Financial Statements
and
Supplemental Information

For the Year Ended June 30, 2024

Table of Contents

Page

Independent Auditor's Report 3

Statement of Net Position 6

Statement of Activities 7

Balance Sheet – Governmental Funds 8

Reconciliation of the Balance Sheet of the Governmental Fund to the Statement of Net Position 9

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds 10

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of the Governmental Funds to the Statement of Activities 11

Notes to Financial Statements 12

Budgetary Comparison Schedule (GAAP Basis): General Fund 24

Notes to Required Supplementary Information 25

Schedules of Required Supplemental Information 26

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards* 28

ZWYGART JOHN
CERTIFIED PUBLIC ACCOUNTANTS
Zwygart John & Associates CPAs, PLLC
16130 North Merchant Way, Suite 120 ◆ Nampa, Idaho 83687
Phone: 208-459-4649 ◆ FAX: 208-229-0404

Independent Auditor's Report

To the Board of Supervisors
Valley Soil & Water Conservation District
Cascade, Idaho

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the fund information of Valley 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 and the fund information of Valley Soil & Water Conservation District as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 the 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 one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the 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 GAAS and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information and schedules of required supplemental information on page 24 through 26 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted 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 December 2, 2024, on our consideration of Valley Soil & Water Conservation District's 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 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 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 Valley Soil & Water Conservation District's internal control over financial reporting and compliance.

Zwygart John & Associates CPAs, PLLC

Nampa, Idaho
December 2, 2024

Valley County Soil & Water Conservation District
Statement of Net Position
June 30, 2024

	Governmental Activities
Assets	
Current Assets:	
Cash and Cash Equivalents	$ 39,326
Capital Assets:	
Equipment, Net	20,517
Total Assets	59,843
Deferred Inflows	
Pension Related Items	16,746
Total Deferred Inflows	16,746
Liabilities	
Current Liabilities:	
Compensated Absences	6,048
Long-Term Liabilities:	
Due in More Than One Year:	
Net Pension Liability	33,392
Total Liabilities	39,440
Deferred Inflows	
Pension Related Items	-
Total Deferred Inflows	-
Net Position	
Invested in Capital Assets, Net of Related Debt	20,517
Unrestricted	37,149
Total Net Position	$ 37,149

The accompanying notes are an integral part of the financial statements.

Valley County Soil & Water Conservation District
Statement of Activities
For the Year Ended June 30, 2024

	Expenses	Program Revenues: Charges for Services and Sales	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Governmental Activities
Primary Government:					
Governmental Activities:					
General Government	$635,670	$ -	$ 583,367	$ -	$ (52,303)
Total Governmental Activities	$635,670	$ -	$ 583,367	$ -	(52,303)
General Revenues:					
State & County Funding					46,757
In-Kind					8,163
Miscellaneous Revenue					4,630
Total General Revenues and Special Items					59,550
Change in Net Position					7,247
Net Position, Beginning of Year					29,902
Net Position, End of Year					$ 37,149

The accompanying notes are an integral part of the financial statements.

Valley County Soil & Water Conservation District
Balance Sheet -
Governmental Funds
June 30, 2024

	General
Assets	
Cash and Cash Equivalents	$ 39,326
Total Assets	$ 39,326
Liabilities and Fund Balances	
Liabilities:	
Total Liabilities	$ -
Fund Balances:	
Unassigned	39,326
Total Fund Balances	39,326
Total Liabilities and Fund Balances	$ 39,326

The accompanying notes are an integral part of the financial statements.

Valley County Soil & Water Conservation District
Reconciliation of the Balance Sheet of the
Governmental Fund to the Statement of Net Position
June 30, 2024

Total Fund Balances - Governmental Funds		$ 39,326
Amounts reported for governmental activities in the Statement of Net Position are different because of the following:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds. The cost of assets consist of:		
Public Outreach Equipment, Net of $3,465 Accumulated Depreciation	$ 20,517	
		20,517
Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Compensated absences are not accrued in governmental funds, but rather are recognized as an expenditure when due. All liabilities - both current and long-term - are reported in the Statement of Net Position.		
Compensated Absences		(6,048)
The District participates in the Public Employer Retirement System of Idaho, which is a cost-sharing plan. As a participant they are required to report their share of the Net Pension Liability and the related deferred inflows and outflows on their Statement of Net Position.		
Net Pension Liability	$ (33,392)	
Pension Related Deferred Outflows	16,746	
		(16,646)
Total Net Position - Governmental Activities		$ 37,149

The accompanying notes are an integral
part of the financial statements.

Valley County Soil & Water Conservation District
Statement of Revenues, Expenditures, and
Changes in Fund Balances -
Governmental Funds
For the Year Ended June 30, 2024

	General
Revenues	
State Base Funding	$ 38,257
County Appropriations	8,500
Grant	583,367
Contributions & Donations	3,750
In-Kind	8,163
Miscellaneous	880
Total Revenues	642,917
Expenditures	
Current:	
Professional Services	400
Bank Charges	106
District Employees	
Registration	110
Mileage	50
Dues	2,030
Insurance	2,635
Payroll Expenses	47,324
Public Outreach	38,445
Supplies	284
Utilities	320
In-Kind	8,163
BMP's - Cost Share	504,452
319 Grant - Cost Share	22,228
Contract Labor	25
Capital Outlay	2,338
Total Expenditures	628,910
Net Change in Fund Balances	14,007
Fund Balances - Beginning of Year	25,319
Fund Balances - Ending	$ 39,326

The accompanying notes are an integral
part of the financial statements

Valley County Soil & Water Conservation District
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of the
Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2024

Total Net Change in Fund Balance - Governmental Funds		$ 14,007
Amounts reported for governmental activities in the Statement of Activities are different because of the following:		
Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their useful lives as depreciation expense. In the current period these amounts are:		
Capital Outlay	$ 2,338	
Depreciation	(3,465)	
		(1,127)
Compensated absences reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. This amount represents the net change in compensated absences for the year.		(5,633)
Change in Net Position of Governmental Activities		$ 7,247

The accompanying notes are an integral
part of the financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The accompanying financial statements present the activities of the Valley Soil & Water Conservation District (the District). The District receives funding from local, state, and federal government sources and must comply with all of the requirements of these funding source entities. However, the District is not included in any other governmental reporting entity as defined by generally accepted accounting principles. Board members are elected by the public and have decision-making authority, the power to designate management, the ability to significantly influence operations, and the primary accountability for fiscal matters. In addition, the District's reporting entity does not contain any component units as defined in Governmental Accounting Standards.

B. Basis of Presentation, Basis of Accounting

Basis of Presentation

Government-wide Statements: The Statement of Net Position and the Statement of Activities display information about the financial activities of the District. Governmental activities generally are financed through intergovernmental revenues and other nonexchange transactions.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities.

- Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function.
- Indirect expenses are expenses of the general government related to the administration and support of the District's programs, such as personnel and accounting (but not interest on long-term debt), and are allocated to programs based on their percentage of total primary government expenses. Interest expenses are allocated to the programs that manage the capital assets financed with long-term debt.
- Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes and state formula aid, are presented as general revenues.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Financial Statements: The fund financial statements provide information about the District's funds. The emphasis of fund financial statements is on major governmental funds.

The District reports the following major governmental funds:

- *General fund.* This is the District's primary operating fund. It accounts for all financial resources and expenditures of the District, except those required to be accounted for in another fund.

Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include state and county funding, grants, State of Idaho, 2-1 Match, Base Funds and donations. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Revenue from state and county funding is recognized when the amounts are known to be received.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if they are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, and claims and judgments, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term liabilities and acquisitions under capital leases are reported as other financing sources.

Fund Balance Reporting in Governmental Funds

Different measurement focuses and bases of accounting are used in the government-wide Statement of Net Position and in the governmental fund Balance Sheet. The District uses the following fund balance categories in the governmental fund Balance Sheet:

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- *Unassigned* - Balances available for any purpose
- *Non-spendable* - Balances that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.

The remaining fund balance classifications (restricted, committed, and assigned) are either not applicable or no formal policy has been established to be able to utilize such classifications of fund balance. However, if there had been committed funds, these amounts would have been decided by the Board of Supervisors, the District's highest level of decision-making authority, through a formal action. The Board of Supervisors would also have the authority to assign funds or authorize another official to do so.

Under the terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted resources available to finance the program. When both restricted and unrestricted resources are available for use, it is the District's intent to use restricted resources first, then unrestricted resources as they are needed.

There is no formal policy regarding the use of committed, assigned, or unassigned fund balances. However, it is the District's intent that when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used, the District considers committed amounts to be reduced first, followed by assigned amounts, and then unassigned amounts.

C. Assets and Liabilities

Capital Assets

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed assets are reported at estimated fair value at the time received.

The District does not have a capitalization policy implemented. Depreciation methods and estimated useful lives of capital assets are reported in the government-wide statements. The District depreciates their capital assets using the straight line basis, with estimated useful lives ranging from 3 to 10 years. Depreciation is used to allocate the actual or estimated historical cost of all capital assets over their estimated useful lives.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Inventory

Inventory in the General Fund is stated at lower of cost or market using the first-in-first-out method. Inventory consists of construction supplies for Best Management Practices (BMP).

Pensions

For purposes of measuring the net pension liability and pension expense, information about the fiduciary net position of the Public Employee Retirement System of Idaho Base Plan (Base Plan) and additions to/deductions from the Base Plan's fiduciary net position have been determined on the same basis as they are reported by the Base Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Accounts Payable

Accounts payable represent debts that will be paid in the next billing cycle. Accounts payable are not over 60 days past due.

Accounts Receivable

Accounts receivable are recorded at book value without an allowance for doubtful accounts.

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 disclosure 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.

2. CASH AND INVESTMENTS

Deposits

As of June 30, 2024, the carrying amount of the District's deposits was $39,326 and the respective bank balances totaled $49,610. The total bank balance was insured with pooled securities held by the pledging institution in the name of the District.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned. As of June 30, 2024, all of the District's deposits were covered by the federal depository insurance or by collateral held by the District's agent or pledging financial institution's trust department or agent in the name of the District, and thus were not exposed to custodial credit risk. The District does not have a formal policy limiting its exposure to custodial credit risk.

Custodial Credit Risk – Investments

Credit risk is the risk that an issuer or other counter party to an investment will not fulfill its obligations. The District does not have a formal policy limiting its exposure to custodial credit risk.

Interest Rate Risk

The District does not have a formal policy limiting investment maturities that would help manage its exposure to fair value losses from increasing interest rates.

Investments

It is the District's intent to limit investments to the safest types of securities and to diversify the District's investment portfolio so that potential losses on securities will be minimized. The District is required to follow Idaho Statute that outlines qualifying investment options under Idaho Code 67-1210 and 67-1210A.

At year-end, the cash and investments were reported in the basic financial statements in the following categories:

	Governmental Activities
Cash and cash equivalents	$ 39,326

3. RISK MANAGEMENT

The District is exposed to a considerable number of risks of loss including, but not limited to, a) damage to and loss of property and contents, b) employee torts, c) professional liabilities, i.e. errors and omissions, d) environmental damage, and e) worker's compensation, i.e. employee injuries. Commercial insurance policies are purchased to transfer the risk of loss for property and content damage, employee torts, and professional liabilities.

4. COMPENSATED ABSENCES

Vacation leave is granted to employees of the District. In the event of termination, an employee is reimbursed for accumulated vacation leave. Changes in compensated absences for the year ended June 30, 2024, are as follows:

	6/30/2023	Earned	Used	6/30/2024	Current Portion
Compensated Absences	$ 5,208	$ 2,016	$ (1,176)	$ 6,048	$ 6,048

5. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2024, was as follows:

	Balance 6/30/2023	Additions	Disposals	Balance 6/30/2024
Governmental Activities:				
Capital Assets being depreciated				
Public Outreach Equipment	$ 21,644	2,338	-	23,982
Total Depreciable Cost	21,644	2,338	-	23,982
Less: Accumulated Depreciation				
Public Outreach Equipment	-	3,465	-	3,465
Total Accumulated Depreciation	-	3,465	-	3,465
Net Depreciable Assets	21,644	(1,127)	-	20,517
Governmental Activities Capital Assets - Net	$ 21,644	$ (1,127)	$ -	$ 20,517

Depreciation expense was charged to the functions of the District as follows:

General Government	$ 3,465

6. Pension Plan

Plan Description

Valley Soil & Water Conservation District contributes to the Base Plan which is a cost-sharing multiple-employer defined benefit pension plan administered by Public Employee Retirement System of Idaho (PERSI or System) that covers substantially all employees of the State of Idaho, its agencies and various participating political subdivisions. The cost to administer the plan is financed through the contributions and investment earnings of the plan. PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at www.persi.idaho.gov.

Responsibility for administration of the Base Plan is assigned to the Board comprised of five members appointed by the Governor and confirmed by the Idaho Senate. State law requires that two members of the Board be active Base Plan members with at least ten years of service and three members who are Idaho citizens not members of the Base Plan except by reason of having served on the Board.

Pension Benefits

The Base Plan provides retirement, disability, death and survivor benefits of eligible members or beneficiaries. Benefits are based on members' years of service, age, and highest average salary. Members become fully vested in their retirement benefits with five years of credited service (5 months for elected or appointed officials). Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. The annual service retirement allowance for each month of credited service is 2.0% (2.3% for police/firefighters) of the average monthly salary for the highest consecutive 42 months.

The benefit payments for the Base Plan are calculated using a benefit formula adopted by the Idaho Legislature. The Base Plan is required to provide a 1% minimum cost of living increase per year provided the Consumer Price Index increases 1% or more. The PERSI Board has the authority to provide higher cost of living increases to a maximum of the Consumer Price Index movement or 6%, whichever is less; however, any amount above the 1% minimum is subject to review by the Idaho Legislature.

Member and Employer Contributions

Member and employer contributions paid to the Base Plan are set by statute and are established as a percent of covered compensation. Contribution rates are determined by the PERSI Board within limitations, as defined by state law. The Board may make periodic changes to employer and employee contribution rates (expressed as percentages of annual covered payroll) that are adequate to accumulate sufficient assets to pay benefits when due.

6. Pension Plan (continued)

The contribution rates for employees are set by statute at 60% of the for general employees and 74% for public safety. As of June 30, 2023, it was 7.16% for general employees and 9.13% for public safety. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.94% general employees and 12.28% for public safety. Valley Soil & Water Conservation District's contributions were $4,582 for the year ended June 30, 2024.

Pension Liabilities, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2024, Valley Soil & Water Conservation District reported a liability (asset) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2023, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. Valley Soil & Water Conservation District's proportion of the net pension liability (asset) was based on Valley Soil & Water Conservation District's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2024, Valley Soil & Water Conservation District's proportion was 0.0008368 percent.

For the year ended June 30, 2024, Valley Soil & Water Conservation District recognized pension expense (revenue) of $9,374. At June 30, 2024, Valley Soil & Water Conservation District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 5,724	$ -
Changes in assumptions or other inputs	3,307	-
Net difference between projected and actual earnings on pension plan investments	3,133	-
Changes in employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	-	-
Idaho Rangeland Resources Commission's contributions subsequent to the measurement date	4,582	-
Total	$ 16,746	$ -

$4,582 reported as deferred outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2024.

6. Pension Plan (continued)

The average of the expected remaining service lives of all employees that are provided with pensions through the System (active and inactive employees) determined at July 1, 2023, the beginning of the measurement period ended June 30, 2022, is 4.6 and 4.6 for the measurement period June 30, 2023.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (revenue) as follows:

For the Year Ended June 30:	PERSI
2024	$ 8,908
2025	2,033
2026	6,324
2027	(519)

Actuarial Assumptions

Valuations are based on actuarial assumptions, the benefit formulas, and employee groups. Level percentages of payroll normal costs are determined using the Entry Age

Normal Cost Method. Under the Entry Age Normal Cost Method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated as a level percentage of each year's earnings of the individual between entry age and assumed exit age. The Base Plan amortizes any unfunded actuarial accrued liability based on a level percentage of payroll. The maximum amortization period for the Base Plan permitted under Section 59-1322, Idaho Code, is 25 years.

The total pension liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.30%
Salary increases including inflation	3.05%
Investment rate of return	6.35%, net of investment expenses
Cost-of-living adjustments	1%

Mortality rates were based on the RP – 2000 combined table for healthy males or females as appropriate with the following offsets:

- Set back 3 years for teachers
- No offset for male fire and police
- Forward one year for female fire and police
- Set back one year for all general employees and all beneficiaries

6. Pension Plan (continued)

Assumptions used to calculate the enclosed figures are described in our 2023 Experience Study. The Total Pension Liability as of June 30, 2023 is based on the results of an actuarial valuation date July 1, 2021.

The long-term expected rate of return on pension plan investments was determined using the building block approach and a forward-looking model in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Even though history provides a valuable perspective for setting the investment return assumption, the System relies primarily on an approach which builds upon the latest capital market assumptions. Specifically, the System uses consultants, investment managers and trustees to develop capital market assumptions in analyzing the System's asset allocation. The assumptions and the System's formal policy for asset allocation are shown below. The formal asset allocation policy is somewhat more conservative than the current allocation of System's assets.

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are as of 2023.

Asset Class	
Fixed Income	30%
US/Global Equity	55%
International Equity	15%
Cash	0%
Total	100%

Discount Rate

The discount rate used to measure the total pension liability was 6.35%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate. Based on these assumptions, the pension plans' net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return was determined net of pension plan investment expense but without reduction for pension plan administrative expense.

6. Pension Plan (continued)

Sensitivity of the Employer's proportionate share of the net pension liability to changes in the discount rate.

The following presents the Employer's proportionate share of the net pension liability calculated using the discount rate of 6.35 percent, as well as what the Employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.35 percent) or 1-percentage-point higher (7.35 percent) than the current rate:

	1% Decrease (5.35%)	Current Discount Rate (6.35%)	1% Increase (7.35%)
Employer's proportionate share of the net pension liability (asset)	$ 60,057	$ 33,392	$ 11,598

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERSI financial report.

PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at www.persi.idaho.gov.

7. Non-Monetary Transactions

The District receives donated office space, as well as, other operating items from Valley County. For the year ended June 30, 2024, the District received donated office space and operating items in the amount of $4,425 and $3,738. These donated items are reported as in-kind revenue and expense within the Statement of Activities and Statement of Revenues, Expenditures, and Changes in Fund Balances.

REQUIRED SUPPLEMENTARY INFORMATION

Valley County Soil & Water Conservation District
Budgetary Comparison Schedule (GAAP Basis)
General Fund
For the Year Ended June 30, 2024

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues				
State Base Funding	$ 38,256	$ 38,256	$ 38,257	$ 1
County Appropriations	8,500	8,500	8,500	-
Grant	43,090	579,177	583,367	4,190
Contributions & Donations	-	1,000	3,750	2,750
In-Kind	-	-	8,163	8,163
Miscellaneous	600	840	880	40
Total Revenues	90,446	627,773	642,917	15,144
Expenditures				
Current:				
Professional Services	800	925	400	525
Bank Charges	-	-	106	(106)
Utilities	960	960	320	640
District Employees	3,500	20	160	(140)
Dues	2,300	1,995	2,030	(35)
Insurance	2,635	2,635	2,635	-
Payroll Expenses	48,000	48,761	47,324	1,437
Public Outreach	3,000	33,546	38,445	(4,899)
Special Projects	19,896	-	-	-
Office Expenses	5,000	423	284	139
In-Kind	-	-	8,163	(8,163)
BMP's - Cost Share	-	461,840	504,452	(42,612)
319 Grant - Cost Share	-	-	22,228	(22,228)
Contract Labor	-	-	25	(25)
Capital Outlay	-	-	2,338	(2,338)
Total Expenditures	86,091	551,105	628,910	(77,805)
Net Change in Fund Balances	4,355	76,668	14,007	(62,661)
Fund Balances - Beginning	25,319	25,319	25,319	-
Fund Balances - Ending	$ 29,674	$ 101,987	$ 39,326	$ (62,661)

1. BUDGETS AND BUDGETARY ACCOUNTING

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

A. Prior to June 1, the Board of Supervisors prepares a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.

B. Public hearings are conducted to obtain taxpayer comments.

C. Prior to July 1, the budget is legally passed.

D. The Board of Supervisors, by following the same budgetary procedures used to adopt the original budget, may amend it to a greater amount, if additional revenue will accrue to the District as a result of increases in state or federal grants or allocations, or as a result of an increase in revenues from any source other than ad-valorem tax revenues.

E. Formal budgetary integration is employed as a management control device during the year for the General fund.

F. The budget for the General fund is adopted on a basis consistent with generally accepted accounting principles.

G. Budgeted amounts are as originally adopted or as amended during the fiscal year ended June 30, 2024.

H. Expenditures may not legally exceed budgeted appropriations at the fund level. The District does not use the encumbrance method of accounting.

2. BUDGETS AND BUDGETARY ACCOUNTING

The General Fund reports expenditures in excess of appropriations in the amount of $77,805.

Valley County Soil & Water Conservation District
Schedules of Required Supplemental Information
Public Employees Retirement System of Idaho
Last 10 - Fiscal Years*

Schedule of the Commission's proportionate Share of Net Pension Liability

Year	District's proportion of the net pension liability	District's proportionate share of the net pension liability	District's covered-employee payroll	Districts's proportionate share of the net pension liability as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability
2024	0.0008368%	$ 33,392	$ 40,987	81.47%	83.83%
2023	0.0008153%	32,114	39,270	81.78%	83.09%

Data reported is measured as of June 30, 2023

Schedule of Commission's Contributions

Year	Contractually required contributions	Contributions in relation to the contractually required contributions	Contributions deficiency (excess)	District's covered-employee payroll	Contributions as a percentage of covered-employee payroll
2024	$ 4,582	$ 4,582	$ -	$ 40,987	11.18%
2023	4,248	4,248	-	39,270	10.82%

Data reported is measured as of June 30, 2024

* GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, Valley County Soil & Water Conservation District will present information for those years for which information is available.

FEDERAL REPORTS

ZWYGART JOHN
CERTIFIED PUBLIC ACCOUNTANTS
Zwygart John & Associates CPAs, PLLC
16130 North Merchant Way, Suite 120 ◆ Nampa, Idaho 83687
Phone: 208-459-4649 ◆ FAX: 208-229-0404

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

To the Board of Supervisors
Valley Soil & Water Conservation District
Cascade, Idaho

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standard* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the fund information of Valley 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 Valley Soil & Water Conservation District's basic financial statements, and have issued our report thereon dated December 2, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Valley Soil & Water Conservation District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Valley Soil & Water Conservation District's internal control. Accordingly, we do not express an opinion on the effectiveness of Valley 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 severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Valley 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described below.

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.

Zwygart John & Associates, CPAs, PLLC

Nampa, Idaho
December 2, 2024