WEST CASSIA SOIL & WATER CONSERVATION DISTRICT

BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

West Cassia Soil & Water Conservation District

TABLE OF CONTENTS
FOR THE YEAR ENDED JUNE 30, 2024

Basic Financial Statements	Page
Government Wide and Governmental Fund Statements	
Independent Auditor's Report	3 - 4
Statement of Net Position -Governmental Fund Balance Sheet	5
Statement of Activities – Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances	6
Notes to Financial Statements	7 - 10
Other Information	
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund	11
Other Reports	
Report on Internal Control and Compliance Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	12 - 13
Schedule of Findings and Responses	14

Poulsen VanLeuven & Catmull PA

Certified Public Accountants

Members of the American Institute of CPA's
and the Idaho Society of CPA's
Jeffrey D. Poulsen, CPA
Darren B. VanLeuven, CPA
Jacob H. Catmull, CPA

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
West Cassia Soil & Water Conservation District
Burley, Idaho

Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund of the West Cassia 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 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 major fund of the District, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof 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 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 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 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 generally accepted 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 a 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 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 Information

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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The statement of revenues, expenditures and changes in fund balance budget and actual – General Fund is presented for purposes of additional analysis and, because the District is not required to legally adopt a budget, it is not a required part of the basic financial statements. The statement has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated August 29, 2024, 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.

Poulsen VanLeuven & Catmull

Poulsen VanLeuven & Catmull P.A.

Burley, Idaho
October 3, 2024

West Cassia Soil & Water Conservation District

STATEMENT OF NET POSITION AND GOVERNMENTAL FUND BALANCE SHEET FOR THE YEAR ENDED JUNE 30, 2024

	General Fund	Adjustments (See Notes)	Statement of Net Position
Assets			
Cash in Bank	$ 164,781		$ 164,781
Accounts Receivable	-		-
State Revenue Receivable	-		-
Property and Equipment, Net of Accumulated Depreciation		40,000	40,000
Total Assets	164,781	40,000	204,781
Liabilities			
Accounts Payable	656		656
Accrued Payroll Liabilities	7,081		7,081
Total Liabilities	7,737	-	7,737
Deferred Inflows of Resources			
Unavailable or Unearned Revenue	23,351	-	23,351
Fund Balance/Net Position			
Unassigned Fund Balance	133,693	(133,693)	-
Total Liabilities and Fund Balance	$ 164,781		
Net Position:			
Invested in Capital Assets		40,000	40,000
Unrestricted		133,693	133,693
Total Net Position		40,000	173,693
		$ 40,000	$ 204,781

See accompanying notes to financial statements.

West Cassia Soil & Water Conservation District

STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE FOR THE YEAR ENDED JUNE 30, 2024

	General Fund	Adjustments (See Notes)	Statement of Activities
Expenditures/Expenses			
Wages and Benefits	$ 278,952		$ 278,952
Depreciation	-	8,000	8,000
Capital Outlay	-		-
Insurance	5,309		5,309
Miscellaneous	298		298
Supplies/Repairs	8,588		8,588
Administrative/Office Expenses	8,007		8,007
Grant Expense	-		-
Dues	2,240		2,240
Travel	2,312		2,312
Promotion/Programs	28,999		28,999
Total Expenditures/Expenses	334,705	8,000	342,705
Program Revenues			
Tree Sales	1,900		1,900
Other Program Revenue	-		-
Total Program Revenues	1,900	-	1,900
Net Program Expenses			340,805
General Revenues			
County Revenues	8,000	-	8,000
State Revenue	294,735		294,735
Grant Revenue	-		-
Other Revenue	20,699	-	20,699
Interest on Investments	839		839
Total General Revenues	324,273	-	324,273
Excess Revenues over Expenditures	(8,532)	(8,000)	(16,532)
Fund Balance/Net Position at Beginning of Year	142,225	48,000	190,225
Fund Balance/Net Position at End of Year	$ 133,693	$ 40,000	$ 173,693

See accompanying notes to financial statements.

West Cassia Soil & Water Conservation District

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Scope of Entity

West Cassia Soil and Water Conservation District is a local government under Idaho state code. It is responsible for soil and water conservation activities within its boundaries in western Cassia County. The District's financial statements include the accounts of all operations under the oversight authority of its board of commissioners. Oversight responsibility is derived from the governmental unit's authority and includes, but is not limited to, financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. Based on the foregoing criteria, no component units are included in the District's financial statements.

Basis of Accounting/Measurement Focus

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund balance, revenues, and expenditures. The District has only a General Fund.

Government-wide Financial Statements

The statement of net assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the District.

The statement of net assets 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 activity. Direct expenses are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program. Revenues that are not classified as program revenues are presented as general revenues of the District. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the district.

Fund Financial Statements

Governmental funds are accounted for using the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the balance sheet. Under modified accrual basis of accounting, revenues are recognized when they become both measurable and available. Available for purposes of revenue recognition is defined as sixty days. Revenue sources susceptible to accrual include property taxes and intergovernmental revenues. Expenditures are recognized when the related fund liability is incurred.

Budgetary Data

Under state code, soil and water conservation districts are not required to adopt an annual budget. The District, however, does set and approve a budget for management purposes on the modified accrual basis. This budgetary comparison is presented as other information with the financial statements.

West Cassia Soil & Water Conservation District

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

Capital Assets

The District's assets are capitalized at historic cost or estimated historic costs. Contributed assets are recorded at fair market value when received. Depreciation is recorded on the straight-line basis over the estimated useful lives of the assets as follows: Equipment 5 to 15 years.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Unavailable revenue

Revenue not collected within 60 days of year-end or not yet earned as of year end is classified as unavailable as a current resource.

Subsequent Events

Subsequent events have been evaluated through the auditor's report date, the date that the audited financial statements were available to be issued.

NOTE 2 – CASH

The District's cash position at fiscal year-end is as follows:

	FDIC insured	Uninsured
DL Evans Checking Account	130,571	-
DL Evans CD	24,376	-
DL Evans Checking - LSEE	9,834	-
	164,781	-

Interest Rate Risk – The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – The District has no investment policy which would further limit its investment choices beyond those stated in the Idaho Code.

Concentration of Credit Risk – The District places no limit on the amount the Treasurer may invest in any one issuer.

Custodial Credit Risk, Deposits – Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a formal deposit policy for custodial credit risk.

West Cassia Soil & Water Conservation District

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 3 – PROPERTY AND EQUIPMENT

Changes to property and equipment during the 2022-2023 fiscal year were as follows:

	Land	Equipment	Accum. Depreciation	Net Book Value
Beginning Balance	-	120,000	(72,000)	48,000
Additions:				
None	-	-	-	-
Disposals:				
None	-	-	-	-
Annual depreciation	-	-	(8,000)	(8,000)
Ending Balance	-	120,000	(80,000)	40,000

NOTE 4 – EXPLANATION OF DIFFERENCES BETWEEN THE GOVERNMENTAL FUNDS BALANCE SHEET AND THE STATEMENT OF NET ASSETS

When capital assets (land, buildings, equipment, etc) that are to be used in governmental activities are purchased or constructed, the cost of those assets is reported as expenditures in governmental funds. However the statement of net assets includes those capital assets among the assets of the District as a whole.

Cost of capital assets	120,000
Accumulated depreciation	(80,000)
	40,000

Some liabilities and deferred inflows are not current uses of resources; they are therefore included on the statement of net position, but not included on the governmental fund balance sheet.

Unavailable revenue	-

NOTE 5 – EXPLANATION OF DIFFERENCES BETWEEN GOVERNMENTAL FUND OPERATING STATEMENT AND THE STATEMENT OF ACTIVITIES

When capital assets that are to be used in governmental activities are purchased or constructed, the resources expended for those assets are reported as expenditures in governmental funds. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. As a result, fund balances decrease by the amount of financial resources expended, whereas net assets decreased by the amount of depreciation expense charged for the year.

Captial Outlay	-
Depreciation Expense	8,000
	8,000

West Cassia Soil & Water Conservation District

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 6 - RISK MANAGEMENT

The District carries commercial insurance to cover worker's compensation, liability and property. There has been no significant reduction in insurance coverage in the current year.

NOTE 7 – BUDGET AMENDEMENTS

There were no amendments to the District's budget for the fiscal year.

West Cassia Soil & Water Conservation District

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL - GENERAL FUND FOR THE YEAR ENDED JUNE 30, 2024

	Budget			Variance Favorable
	Original	Final	Actual	(Unfavorable)
Revenues				
County Revenues	$ 8,000	$ 8,000	$ 8,000	$ -
Tree Sales	2,000	2,000	1,900	(100)
State Revenue	323,038	323,038	294,735	(28,303)
Grant Revenue	-	-	-	-
Other Program Revenue	-	-	-	-
Other Revenue	14,450	14,450	20,699	6,249
Interest Revenue	30	30	839	809
Total Revenues	347,518	347,518	326,173	(21,345)
Expenditures				
Wages and Benefits	301,932	301,932	278,952	22,980
Capital Outlay	-	-	-	-
Insurance	6,172	6,172	5,309	863
Miscellaneous	-	-	298	(298)
Supplies/Repairs	2,826	2,826	8,588	(5,762)
Administrative/Office Expenses	12,376	12,376	8,007	4,369
Grant Expense	-	-	-	-
Dues	2,390	2,390	2,240	150
Travel	3,197	3,197	2,312	885
Promotion/Programs	18,625	18,625	28,999	(10,374)
Total Expenditures	347,518	347,518	334,705	12,813
Excess (Deficit) Revenues over Expenditures	-	-	(8,532)	(8,532)
Fund Balance at Beginning of Year	142,225	142,225	142,225	-
Fund Balance at End of Year	$ 142,225	$ 142,225	$ 133,693	$ (8,532)

See accompanying notes to financial statements.

Poulsen VanLeuven & Catmull PA

Certified Public Accountants

Members of the American Institute of CPA's
and the Idaho Society of CPA's
Jeffrey D. Poulsen, CPA
Darren B. VanLeuven, CPA
Jacob H. Catmull, CPA

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*

Board of Commissioners
West Cassia Soil & Water Conservation District
Burley, 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 Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of West Cassia 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 District's basic financial statements, and have issued our report thereon dated October 3, 2024.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not 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.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether The District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

West Cassia Soil & Water Conservation District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the finding identified in our audit and described in the accompanying schedule of findings and responses. The 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.

Poulsen VanLeuven & Catmull

Poulsen VanLeuven & Catmull P.A.

Burley, Idaho
October 3, 2024

West Cassia Soil & Water Conservation District

STATEMENT OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2024

Finding 2024-1: Lack of segregation of duties

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

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

Cause: The condition is a result of staffing limitations necessitated by budget constraints common to a to a district this size.

Effect: The lack of an ideal segregation of duties may increase the risk that loss of assets would not be detected and prevented in a timely manner and in the normal course of operations.

Recommendation: It is suggested the District take such actions as hiring another person to assist in accounting duties, including the reconciling of cash and cash equivalents.

Response: The District believes the cost of hiring another person outweighs the benefit to be derived, as mitigating controls are currently in place such as board review of all disbursements, two signatures required on all checks, monthly board review of financial reports prepared by the Clerk, and ensuring the Clerk is not an authorized signer on the bank accounts.