JEFFERSON COUNTY MOSQUITO ABATEMENT

BASIC FINANCIAL STATEMENTS

SEPTEMBER 30, 2024

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SEPTEMBER 30, 2024

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

INDEPENDENT AUDITORS' REPORT

Board of Directors
Jefferson County Mosquito Abatement
Rigby, Idaho

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Jefferson County Mosquito Abatement (the District), as of and for the year ended September 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.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, the aggregate remaining fund information, and the respective budgetary comparison for the General Fund of the Jefferson County Mosquito Abatement as of September 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.

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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 November 23, 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 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 the District's internal control over financial reporting and compliance.

ROBERT D HARDY, CPA, PC
Idaho Falls, ID
November 23, 2025

JEFFERSON COUNTY MOSQUITO ABATEMENT
STATEMENT OF NET POSITION
SEPTEMBER 30, 2024

	Governmental Activities
ASSETS	
Cash and cash equivalents	$ 72,756
Receivables	3,730
Capital assets (net of accumulated depreciation)	
Buildings and improvements	93,384
Machinery and equipment	78,585
Vehicles	8,972
Total Assets	$ 257,427
LIABILITIES	
Accounts payable	$ 3,446
Total Liabilities	3,446
NET POSITION	
Net investment in capital assets	180,941
Unrestricted	73,040
Total Net Position	$ 253,981

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

JEFFERSON COUNTY MOSQUITO ABATEMENT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 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	$ 229,269	$ –	$ 4,000	$ –	$ (225,269)
Total Primary Government	$ 229,269	$ –	$ 4,000	$ –	(225,269)

General Revenues	
Property Taxes	196,599
Other Taxes	26,512
Investment Earnings	518
Miscellaneous	10,399
Total General Revenues	234,028
Changes in Net Position	8,759
Net Position, October 1	245,222
Net Position, September 30	$ 253,981

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

JEFFERSON COUNTY MOSQUITO ABATEMENT
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024

	General	Total Governmental Funds
Assets		
Cash and cash equivalents	$ 72,756	$ 72,756
Property tax receivable	3,730	3,730
Total Assets	$ 76,486	$ 76,486
Liabilities, Deferred Inflows of Resources, and Fund Balances		
Liabilities:		
Accounts payable	$ 3,446	$ 3,446
Deferred revenue	3,260	3,260
Total Liabilities	6,706	6,706
Fund balances:		
Unassigned	69,780	69,780
Total Fund Balances	69,780	69,780
Total Liabilities and Fund Balances	$ 76,486	$ 76,486
Total governmental fund balances		$ 69,780
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.		3,260
Capital assets used in governmental activities are not financial resources and; therefore, are not reported in the funds		180,941
Net position of governmental activities		$ 253,981

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

JEFFERSON COUNTY MOSQUITO ABATEMENT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	General	Total Governmental Funds
Revenues		
Taxes	$ 196,402	$ 196,402
Intergovernmental	26,512	26,512
Grants received	4,000	4,000
Interest	518	518
Miscellaneous	10,399	10,399
Total Revenues	237,831	237,831
Expenditures		
General government		
Salaries and taxes	92,909	92,909
General operations	104,324	104,324
Insurance	6,180	6,180
Professional fees	5,540	5,540
Utilities	1,454	1,454
Telephone	2,852	2,852
Travel and meetings	1,712	1,712
Capital outlay	28,000	28,000
Total Expenditures	242,971	242,971
Excess of revenues over (under) expenditures	(5,140)	(5,140)
Other Financing Sources (Uses)		
Proceeds from sale of assets	–	–
Proceeds from insurance recovery	–	–
Total Other Financing Sources	–	–
Revenues and other financing sources over (under) expenditures	(5,140)	(5,140)
Fund Balances, October 1	74,920	74,920
Fund Balances, September 30	$ 69,780	$ 69,780

Amounts reported for governmental activities in the statement of activities are different because:	
Net changes in fund balances-total governmental funds	$ (5,140)
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 and asset dispositions for the year.	13,703
Because some property taxes will not be collected for several months after the District's fiscal year ends, they are not considered as "available" revenues in the governmental funds.	196
Changes in net position of governmental activities.	$ 8,759

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

JEFFERSON COUNTY MOSQUITO ABATEMENT
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes	$ 191,404	196,402	4,998
Intergovernmental	–	26,512	26,512
Miscellaneous	68,596	14,917	(53,679)
Total Revenues	260,000	237,831	(22,169)
Expenditures:			
General Operations	106,000	108,630	(2,630)
Payroll and benefits	105,000	92,909	12,091
Insurance	7,000	6,180	820
Professional Fees	8,000	5,540	2,460
Travel and Meetings	4,000	1,712	2,288
Capital Outlay	28,000	28,000	–
Contingency	2,000	–	2,000
Total Expenditures	260,000	242,971	17,029
Excess of revenues over (under) expenditures	–	(5,140)	(5,140)
Other Financing Sources (Uses)			
Proceeds from sale of assets	$ –	$ –	$ –
Proceeds from sale of inventory	–	–	–
Total Other Financing Sources	–	–	–
Revenues and other financing sources over (under) expenditures	–	(5,140)	(5,140)
Fund Balance, October 1	74,920	74,920	–
Fund Balance, September 30	$ 74,920	$ 69,780	$ (5,140)

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Jefferson County Mosquito Abatement 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 Jefferson County Mosquito Abatement. 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 Jefferson County Mosquito Abatement 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. 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 Jefferson County Mosquito Abatement 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 September 30, 2024, the District's cash and investments consisted of $72,756 in business checking and certificates of deposits with local banks. 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.

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 majority of its deposits with local banks and, 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

The District has no capital assets and, therefore, the financial statements do not reflect an expense for depreciation.

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 follows the following procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to certifying the tax levy to the county commissioners, and prior to passing the annual appropriation ordinance, a public meeting shall be held to adopt a budget by a favorable vote of the majority of members of the board.

2. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principals. Uncommitted appropriations lapse at every year end.

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 no formal vacation or sick leave policy for its employees whereby they would be paid upon terminating employment. 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.

Governmental Fund Balances

The District has implemented GASB No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, for the fiscal year ended September 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 September 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. PROPERTY TAXES

Property taxes are levied by the 2nd Monday in September, in conformity with Title 31, Section 1605, of the Idaho State Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before December 20 and June 20 of the year following the year in which imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed.

3. 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 October 1, 2024 and has been renewed to October 1, 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.

4. CAPITAL ASSETS

A summary of changes in capital assets is as follows:

	Balance 2023	Additions	Retirements	Balance 2024
Governmental Activities:				
Buildings & improvements	$ 109,863	$ –	$ –	$ 109,863
Machinery & equipment	136,997	28,000	–	164,997
Vehicles	61,063	–	–	61,063
	307,923	28,000	–	335,923
Accumulated Depreciation:				
Buildings & improvements	$ 14,282	$ 2,197	$ –	$ 16,479
Machinery & equipment	76,168	10,244	–	86,412
Vehicles	50,235	1,856	–	52,091
	140,685	14,297	–	154,982
Net Book Value:				
Buildings & improvements	$ 95,581	$ (2,197)	$ –	$ 93,384
Machinery & equipment	60,829	17,756	–	78,585
Vehicles	10,828	(1,856)	–	8,972
	$ 167,238	$ 13,703	$ –	$ 180,941

Depreciation expense for the current period is $14,297 in the General Fund as applied in the Statement of Activities.

5. RETIREMENT PLANS

The District has no formal retirement plans

6. SUBSEQUENT EVENTS

The District has evaluated subsequent events through November 23, 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.

7. 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
Jefferson County Mosquito Abatement
Rigby, 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, each major fund, and the aggregate remaining fund information of Jefferson County Mosquito Abatement, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Jefferson County Mosquito Abatement's basic financial statements and have issued our report thereon dated November 23, 2025.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Jefferson County Mosquito Abatement's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Jefferson County Mosquito Abatement's internal control. Accordingly, we do not express an opinion on the effectiveness of the Jefferson County Mosquito Abatement'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. 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 that we consider to be significant deficiencies. We consider the deficiency described in item 2024-1 of the accompanying schedule of findings and responses to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Jefferson County Mosquito Abatement'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

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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 *Governmental Auditing Standards*.

The Jefferson County Mosquito Abatement's Response to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the 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 the 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
November 23, 2025

Jefferson County Mosquito Abatement
Schedule of Findings and Responses
For the Year Ended September 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: The District should add additional personnel to it's staff to assist in the accounting and stewardship of assets.

Response: The District management believes that the cost to hire additional personnel is substantially more than the potential benefit derived or the risk of fraud. As such, District management has put into place mitigating controls such as dual signatures on checks, monthly review of all disbursements by the board, and monthly review of financial reports prepared by the treasurer to minimize the District's risk of fraud and malfeasance.