

**KOOTENAI-SHOSHONE  
SOIL & WATER  
CONSERVATION DISTRICT**

**AUDITED FINANCIAL STATEMENTS  
AND OTHER FINANCIAL INFORMATION**

Year Ended June 30, 2021

*Prepared by*

*Anderson*  
**BROS. CPAs**

Post Falls, ID

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## INDEPENDENT AUDITORS' REPORT



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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Kootenai-Shoshone Soil & Water Conservation District  
Coeur d'Alene, ID

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and each major fund of Kootenai-Shoshone Soil & Water Conservation District, as of and for the year ended June 30, 2021, 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.

### ***Auditor's 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 auditor's 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 auditor considers 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 and each major fund of the Kootenai-Shoshone Soil & Water Conservation District as of June 30, 2021, and the respective changes in financial position thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 14 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 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, 2021, on our consideration of Kootenai-Shoshone Soil & Water Conservation 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 Kootenai-Shoshone Soil & Water Conservation District's internal control over financial reporting and compliance.



Anderson Bros. CPAs  
Post Falls, ID  
November 23, 2021

## BASIC FINANCIAL STATEMENTS

**KOOTENAI-SHOSHONE SOIL & WATER CONSERVATION DISTRICT**  
**Statement of Net Position**  
**June 30, 2021**

**ASSETS**

Current Assets:

Cash and Cash Equivalents	\$ 387,358
Receivables:	
Accounts Receivable (net)	190
Grants Receivable	-
Prepaid Expenses	3,355
Total Current Assets	390,903

Non-current Assets:

Capital Assets, Net of Accumulated Depreciation	884
Total Assets	391,787

**LIABILITIES**

Accounts Payable	1,099
Payroll, Benefits, and Taxes Payable	35,413
Sales Tax Payable	130
Total Liabilities	36,642

**DEFERRED INFLOWS OF RESOURCES**

Unearned Revenues	232,968
Total Deferred Inflows of Resources	232,968

**NET POSITION**

Unrestricted	122,177
Total Net Position	\$ 122,177

*See accompanying notes and independent auditors' report.*

**KOOTENAI-SHOSHONE SOIL & WATER CONSERVATION DISTRICT**  
**Statement of Activities**  
**Year Ended June 30, 2021**

		Program Revenues			Net (Expenses) Revenues and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>Primary government:</b>					
Administrative	\$ 69,711	\$ 38,897	\$ -	\$ -	\$ (30,814)
Tree Sale Activities	34,598	-	-	-	(34,598)
Grant and Watercraft Inspection Activities	730,905	-	347,604	-	(383,301)
Total Governmental Activities	\$ 835,214	\$ 38,897	\$ 347,604	\$ -	(448,713)
General Revenues:					
Watercraft Inspection Contract					469,126
State Allocations					10,500
County Allocations					6,619
Interest Earnings					323
Gain from Sale of Assets					-
Other Income					1,972
Total General Revenues					488,540
Change in Net Position					39,827
Net Position - Beginning					82,350
Net Position - Ending					\$ 122,177

See accompanying notes and independent auditors' report.



**KOOTENAI-SHOSHONE SOIL & WATER CONSERVATION DISTRICT**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2021**

	General Fund	Special Revenue	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 387,358	\$ -	\$ 387,358
Accounts Receivable (net)	190	-	190
Total Assets	<u>\$ 387,548</u>	<u>\$ -</u>	<u>\$ 387,548</u>
<b>LIABILITIES</b>			
Accounts Payable	\$ 1,099	\$ -	\$ 1,099
Payroll, Benefits, and Taxes Payable	34,311	-	34,311
Sales Tax Payable	130	-	130
Total Liabilities	<u>35,540</u>	<u>-</u>	<u>35,540</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unearned Revenues	232,968	-	232,968
Total Deferred Inflows of Resources	<u>232,968</u>	<u>-</u>	<u>232,968</u>
<b>FUND BALANCES</b>			
Unassigned	119,040	-	119,040
Total Fund Balances	<u>119,040</u>	<u>-</u>	<u>119,040</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 387,548</u>	<u>\$ -</u>	<u>\$ 387,548</u>

See accompanying notes and independent auditors' report.

**KOOTENAI-SHOSHONE SOIL & WATER CONSERVATION DISTRICT**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Statement of Net Position**  
**June 30, 2021**

Total fund balances - governmental funds		\$ 119,040
Prepaid expenses are not current financial resources and therefore, are not reported in the funds:		
Prepaid insurance	3,355	3,355
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds:		
Cost of capital assets	2,451	
Less accumulated depreciation	(1,567)	884
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:		
Compensated absences	(1,102)	(1,102)
Net position of governmental activities		\$ 122,177

*See accompanying notes and independent auditors' report.*

**KOOTENAI-SHOSHONE SOIL & WATER CONSERVATION DISTRICT**  
**Statement of Revenue, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**Year Ended June 30, 2021**

	General Fund	Special Revenue	Total
<b>Revenues</b>			
Grant Revenues	\$ -	\$ 347,604	\$ 347,604
Watercraft Inspection Contract	-	469,126	469,126
State Allocations	10,500	-	10,500
County Allocations	6,619	-	6,619
Tree Sale Income	38,897	-	38,897
Interest Income	323	-	323
Other Income	1,972	-	1,972
Total Revenues	58,311	816,730	875,041
<b>Expenditures</b>			
Wages, Payroll Taxes, and Benefits	44,679	410,476	455,155
Tree Expenses	34,598	-	34,598
Grant Expenses	-	306,476	306,476
Watercraft Inspection Expenses	-	13,953	13,953
Administrative Costs	9,073	-	9,073
Audit and Accounting	8,684	-	8,684
Office Supplies/Postage	737	-	737
Travel	-	-	-
Conferences and Seminars	163	-	163
Dues and Subscriptions	2,923	-	2,923
Workers Compensation	783	-	783
Capital Outlay	1,040	-	1,040
Total Expenditures	102,680	730,905	833,585
Excess (Deficiency) of Revenues Over Expenditures	(44,369)	85,825	41,456
<b>Other Financing Sources (Uses)</b>			
Transfers	85,825	(85,825)	-
Sale of Assets	-	-	-
Total Other Financing Sources (Uses)	85,825	(85,825)	-
Net Change in Fund Balance	41,456	-	41,456
Fund Balances - Beginning	77,584	-	77,584
Fund Balances - Ending	\$ 119,040	\$ -	\$ 119,040

See accompanying notes and independent auditors' report.

**KOOTENAI-SHOSHONE SOIL & WATER CONSERVATION DISTRICT**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in**  
**Fund Balances of Governmental Funds to the Statement of Activities**  
**Year Ended June 30, 2021**

Amounts reported for governmental activities in the statement of activities are different because:

Net Change in Fund Balances - total governmental funds	\$	41,456
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expenses. This is the amount by which capital outlays exceeded depreciation expense in the current period.</p>		
Capital outlay		1,040
Depreciation		(156)
<p>Some expenses 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.</p>		
Increase/(decrease) in prepaid expenses		(2,513)
(Increase)/decrease in compensated absence liability		-
		-
Change in net position of governmental activities	\$	39,827

*See accompanying notes and independent auditors' report.*



**KOOTENAI-SHOSHONE SOIL & WATER CONSERVATION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended June 30, 2021**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity**

The Kootenai-Shoshone Soil & Water Conservation District operates under a locally elected Board of Supervisors and develops and carries out programs of soil erosion, sediment control, water quality and conservation, flood prevention and control, and proper land management. This Board of Supervisors has decision-making authority, the power to designate management, the responsibility to significantly influence operations, and primary accountability for fiscal matters.

The District's basic financial statements include the accounts of all District operations.

**Basis of Presentation**

*Government-wide Statements:* The statement of net assets and the statement of activities display information about the primary government (the District). These statements include the financial activities of the overall government. Eliminations have been made to minimize the double-counting of internal activities. All of the District's activities are considered governmental activities.

The statement of activities presents a comparison between direct 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. Program revenues include:

- (a) Fees, fines, and charges 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.

*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. All remaining governmental funds are aggregated and reported as nonmajor funds. The District has no nonmajor 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 of the general government, except those required to be accounted for in another fund.

*Special Revenue Fund.* The special revenue fund accounts for the proceeds of specific revenue sources (other than trusts or major capital projects), the expenditures for which are legally restricted for purposes specified in the grant or other agreements.

**Measurement Focus, Basis of Accounting**

*Government-wide Financial Statements.* 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 the liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements and donations. Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.



**KOOTENAI-SHOSHONE SOIL & WATER CONSERVATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
Year Ended June 30, 2021**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)**

**Measurement Focus, Basis of Accounting – (continued)**

*Governmental Fund Financial Statements.* 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 the revenues 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, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured.

**Cash and Cash Equivalents**

The District considers cash and investments with an original maturity date of 90 days or less to be cash equivalents.

**Grants Receivables and Revenues**

Grants receivable include amounts from various grantors for expenditures that are paid via reimbursable grant arrangements. The District's grants are generally reimbursable arrangements and revenues are recognized when the grant expenditures have been incurred.

**Accounts Receivable**

All trade and other receivables are shown net of an allowance for uncollectibles, when applicable. At June 30, 2021 there was no allowance for uncollectible accounts. Receivables for County funding and tree sale revenues are recorded as revenue in the general fund.

**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.

**Capital Assets**

Capital assets purchased or acquired are carried at historical cost or estimated historical cost. Contributed assets are recorded at fair value as of the date donated. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on capital assets is calculated using the straight-line method over the following estimated useful lives:

Asset Type	Useful Life	Capitalization Threshold
Equipment	5 - 10 years	\$ 500
Vehicles	5 - 10 years	\$ 500

The District does not possess any infrastructure. In connection with implementation of GASB Statement No. 34, the District established a threshold of \$500 for capitalization of depreciable assets. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

**Compensated Absences**

The District has a policy for vacation pay. The policy calls for four hours per payroll period, or 12 days per year. All vacation not taken by year-end is not forfeited; up to 96 hours may be carried over. As of June 30, 2021, the District had \$1,102 in unpaid compensated absences.

**KOOTENAI-SHOSHONE SOIL & WATER CONSERVATION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended June 30, 2021**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)**

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District does not currently have any such items qualifying for reporting in this category in the government-wide statement of net position.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one such item, unearned revenues related to state funding for watercraft inspection, which is reported in the governmental funds balance sheet. These amounts are deferred and recognized as inflows of resources in the period that the amounts becomes available.

**Use of Restricted/Unrestricted Net Position**

When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, the District's policy is to apply restricted net assets first.

**Fund Balance Policies**

Fund balances are classified as follows:

*Nonspendable* – Amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact.

*Restricted* – Amounts that can be spent only for specific purposes because of the state or federal laws, or externally imposed conditions by grantors or creditors.

*Committed* – Amounts that can be used only for specific purposes determined by a formal action by Board of Supervisors ordinance or resolution. This includes the budget reserve account.

*Assigned* – Amounts that are designated by the Board of Supervisors for a specific purpose but are not spendable until a budget ordinance is passed by the Supervisors.

*Unassigned* – All amounts not included in other spendable classifications.

The details of the fund balances are included in the Governmental Funds Balance Sheet (page 5). Restricted funds are used first as appropriate. Assigned funds are reduced to the extent that expenditure authority has been budgeted by the Board of Supervisors or the assignment has been changed by the Supervisors. Decreases to fund balance first reduce Unassigned fund balance; in the event that Unassigned fund balance becomes zero, then Assigned and Committed fund balances are used in that order. The District reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.



**KOOTENAI-SHOSHONE SOIL & WATER CONSERVATION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended June 30, 2021**

**NOTE 2 – CASH BALANCES AND DEPOSITS**

**General**

State statutes authorize the District's investments. The District is authorized to invest in demand deposits, savings accounts, U.S. Government obligations and its agencies, obligations of Idaho and its agencies, fully collateralized repurchase agreements, prime domestic commercial paper, prime domestic bankers acceptances, bonds, debentures or notes of any corporation organized, controlled and operating within the U.S. which have at their purchase an "A" rating or higher, government pool and money market funds consisting of any of these securities listed. No violations of these categories have occurred.

**Custodial Credit Risk**

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 deposit policy for custodial credit risk as it deposits funds in financial institutions that are members of the U.S. Federal Deposit Insurance Corporation (FDIC) and has never experienced such a loss.

As of June 30, 2021, the District's deposits were exposed to custodial credit risk as follows:

*Deposits without exposure to custodial credit risk:*

Amount insured by FDIC or other agencies	\$ 260,992
Total deposits without exposure to custodial credit risk	\$ 260,992

*Deposits with exposure to custodial credit risk:*

Amounts uninsured-exposed to custodial credit risk	\$ 127,189
Amount collateralized with securities held in trust, not in District's name	-
Total deposits without exposure to custodial credit risk	\$ 127,189
Total bank balance (deposits)	\$ 388,181

*The carrying amount is displayed as follows in the financial statements:*

Statement of net position	
Cash and cash equivalents	\$ 387,358
Restricted cash and investments	-
	\$ 387,358

Cash and cash equivalents at June 30, 2021 consist of the following:

Cash	
Deposits with financial institutions	\$ 387,350
Cash on hand	8
Cash equivalents	
Certificates of deposit	-

Restricted cash and investments at June 30, 2021 consist of the following:

Cash	
Deposits with financial institutions	-
	\$ 387,358

**KOOTENAI-SHOSHONE SOIL & WATER CONSERVATION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended June 30, 2021**

**NOTE 2 – CASH BALANCES AND DEPOSITS – (CONTINUED)**

**Investments**

GASB Statement No. 40 requires the District to assign risk categories for its investments, except those in which securities are not used as evidence of the investment. Credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. The short-term investment pools are not evidenced by securities that exist in physical or book entry form and accordingly, are not categorized for credit risk.

**NOTE 3 – NON-CASH RENTS**

The District utilizes office space in a building lease by the Natural Resource Conservation Service in exchange for providing receptionist duties to those agencies. Since the amounts of these transactions are not material to the District's financial statements, they have not been reflected in the financial statements.

**NOTE 4 - CAPITAL ASSETS**

Capital asset activity for the years ended June 30, 2021 was as follows:

	<u>6/30/2020</u>	<u>Additions</u>	<u>Disposals</u>	<u>6/30/2021</u>
Capital assets being depreciated:				
Equipment	\$ 1,411	\$ 1,040	\$ -	\$ 2,451
Total capital assets being depreciated	<u>1,411</u>	<u>1,040</u>	<u>-</u>	<u>2,451</u>
Less accumulated depreciation	<u>1,411</u>	<u>156</u>	<u>-</u>	<u>1,567</u>
Total capital assets, net	<u>\$ -</u>	<u>\$ 884</u>	<u>\$ -</u>	<u>\$ 884</u>

Depreciation expense was \$156 for the year ended June 30, 2021.

**NOTE 5 - RISK MANAGEMENT**

The District faces a number of risks of loss including damage to and loss of property and contents, professional liability, i.e. errors and omissions, and health insurance costs of employees. The District does carry professional liability insurance. Management of the District is not aware of any probable or potential liability exposure.

The District's workman's compensation coverage is provided by the Idaho State Insurance Fund. During fiscal year 2021, the District contributed \$9,045 from the general fund for this insurance coverage.

REQUIRED SUPPLEMENTARY INFORMATION



**KOOTENAI-SHOSHONE SOIL & WATER CONSERVATION DISTRICT**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual - Governmental Funds**  
**Year Ended June 30, 2021**

	General Fund			Special Revenue Fund		
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual
<b>Revenues</b>						
Grant Revenues	\$ -	\$ -	\$ -	\$ 377,621	\$ 341,807	\$ 347,604
Watercraft Inspection Contract	-	-	-	490,500	495,300	469,126
State Allocation	8,925	8,925	10,500	-	-	-
County Allocation	6,000	6,000	6,619	-	-	-
Tree Sale Income	45,840	45,840	38,897	-	-	-
Interest Income	-	-	323	-	-	-
Other Income	-	-	1,972	-	-	-
Total Revenues	<u>60,765</u>	<u>60,765</u>	<u>58,311</u>	<u>868,121</u>	<u>837,107</u>	<u>816,730</u>
<b>Expenditures</b>						
Wages, Payroll Taxes, and Benefits	38,935	38,935	44,679	457,283	422,500	410,476
Tree Expenses	24,469	24,469	34,598	-	-	-
Grant Expenses	-	-	-	365,081	324,117	306,476
Watercraft Inspection Expenses	-	-	-	74,175	25,625	13,953
Administrative Costs	7,700	7,700	9,073	-	-	-
Audit and Accounting	6,000	6,000	8,684	-	-	-
Office Supplies/Postage	925	925	737	-	-	-
Travel	-	-	-	-	-	-
Conferences and Seminars	1,150	1,150	163	-	-	-
Dues and Subscriptions	3,000	3,300	2,923	-	-	-
Workers Compensation	1,000	1,000	783	-	-	-
Capital Outlay	-	-	1,040	-	-	-
Total Expenditures	<u>83,179</u>	<u>83,479</u>	<u>102,680</u>	<u>896,539</u>	<u>772,242</u>	<u>730,905</u>
Excess/(Deficiency) of Revenues Over Expenditures	<u>(22,414)</u>	<u>(22,714)</u>	<u>(44,369)</u>	<u>(28,418)</u>	<u>64,865</u>	<u>85,825</u>
<b>Other Financing Sources (Uses)</b>						
Transfers	-	-	85,825	-	-	(85,825)
Sale of Assets	-	-	-	-	-	-
Total Other Sources (Uses)	<u>-</u>	<u>-</u>	<u>85,825</u>	<u>-</u>	<u>-</u>	<u>(85,825)</u>
Net Change in Fund Balance	<u>(22,414)</u>	<u>(22,714)</u>	<u>41,456</u>	<u>(28,418)</u>	<u>64,865</u>	<u>-</u>
Fund Balances - Beginning	<u>77,584</u>	<u>77,584</u>	<u>77,584</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 55,170</u>	<u>\$ 54,870</u>	<u>\$ 119,040</u>	<u>\$ (28,418)</u>	<u>\$ 64,865</u>	<u>\$ -</u>

See accompanying notes to the budget and independent auditors' report.

**KOOTENAI-SHOSHONE SOIL & WATER CONSERVATION DISTRICT**  
**Notes to the Budget and Actual Schedule**  
**Year Ended June 30, 2021**

An annual budget is adopted for the general and special revenue funds. The annual budget is a plan of financial operation with an estimate of expenditures and means of financing them.

The adopted budget constitutes the appropriations for the District and is the maximum limit of expenditures in each budgeted fund. The adopted budget may be amended for emergencies and other matters as provided by State law.

The budget is prepared on the basis of accounting described for its governmental funds in Note 1 to the financial statement. Transfers of budget authority within a fund are permitted. Appropriations lapse at June 30, except those expenditures made prior to July 30 for appropriations of the preceding fiscal year may be charged to that fiscal year. There were no such expenditures in fiscal year 2021.

Original and final budgeted amounts are displayed in the schedule. The District's general fund overspent their budget by approximately \$19,201 for fiscal year 2021.

REPORT REQUIRED BY GAO



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**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**

Board of Directors  
Kootenai-Shoshone Soil & Water Conservation District  
Post Falls, ID

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 each major fund of Kootenai-Shoshone Soil & Water Conservation District as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Kootenai-Shoshone Soil & Water Conservation District's basic financial statements and have issued our report thereon dated November 23, 2021.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Kootenai-Shoshone Soil & Water Conservation 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 Kootenai-Shoshone Soil & Water Conservation District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Kootenai-Shoshone 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 may exist that have not been identified.



### **Compliance and Other Matters**

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

### **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.



Anderson Bros. CPAs  
Post Falls, Idaho  
November 23, 2021