

I D A H O
RANGELAND

Resources  *Commission*

P.O. Box 126, Emmett ID 83617
Phone: (208)398-7002 website: idahorange.org

Date: January 11, 2019

IRRC Board Members:

Royce Schwenkfelder,
Chairman
Cambridge, ID

Todd Holbrook
Bancroft, ID

Ross Goddard
Tendoy, ID

John Peavey,
Carey, ID

Darcy Helmick,
Grandview, ID

Staff:

Gretchen Hyde,
Executive Director

To: Senator Jim Guthrie, Chairman
Senate Agricultural Affairs Committee
Representative Judy Boyle, Chairman
House Agricultural Affairs Committee
Senator Lee Heider, Chairman
Senate Resources & Environment Committee
Representative Marc Gibbs, Chairman
House Resources and Conservation Committee
Legislative Audits, April Renfro
State Controller's Office, Carol Bearce
Legislative Services Office, Ray Houston
Division of Financial Management, Amber Christofferson

From: Gretchen Hyde, Executive Director

RE: Idaho Rangeland Resources Commission 2018 Report

Attached are the Idaho Rangeland Resources Commission 2019 Projected Profit & Loss Budget Overview and the 2018 Audited Financial Statements as required by Section 58-1415 (4), Idaho Code.

The IRRC provides both public relations and education programs. A copy of the information annual report is included in this annual report for your review.

If you would like a presentation of these financial statements and the activities of the IRRC, please contact me at 398-7002 or email at ghyde@idrange.org.

Respectfully,

Gretchen Hyde

Idaho Rangeland Resource Commission

Statement of Projected Income and Expenses
Budget for Fiscal Year Ending June 30, 2019

State Lands

BLM

USFS

Private Lands

Total Assessments

Less requested refunds

Net Assessments

License Plate Revenue

Grant Income-Federal Partners

Interest Income on MM account

Net Revenue

Education Program expenses:

Teacher workshops

I-ROAM Truck & Trailer

Teacher grants

Range Poster/distribution

FFA Range contest

4-H/Youth Programs

Range Mat'l Develop/Compile

Envirothon/ Ag In The Classroom

McCall Outdoor Science School

Education Coordinator

Education coordinator travel

Education Dues/ subscriptions

Education supplies

Teacher Newsletter

Internet Site

Education/Teacher Workshops total

Industry/Research expenses:

Dues & Subscriptions

Convention/Meetings

Tour/Symposium

Research Grants

Newsletter/outreach

Industry/Research total

FY 2019

\$	24,000
\$	80,000
\$	32,000
\$	55,000
\$	191,000
\$	2,500
\$	188,500
\$	37,000
\$	25,000
\$	200
\$	250,700

\$	2,000
\$	20,000
\$	2,500
\$	500
\$	3,000
\$	3,000
\$	500
\$	400
\$	500
\$	15,000
\$	10,000
\$	300
\$	500
\$	1,500
\$	3,000
\$	62,700

\$	1,000
\$	5,000
\$	5,000
\$	2,500
\$	3,000
\$	16,500

Idaho Rangeland Resource Commission

Statement of Projected Income and Expenses

Budget for Fiscal Year Ending June 30, 2019

Public Relations expenses:

NPR underwriting	\$ 25,000
Industry Group outreach grants	\$ 2,000
Idaho Public TV	\$ 7,500
License Plate	\$ 2,500
Trailing of the Sheep	\$ 2,500
Care/Share campaign	\$ 5,000
Life on the Range Website	\$ 35,000
Public Relations/Mass media total	\$ 79,500

Administration Expenses:

Administrative-for all programs	\$ 142,425
Total Expenses	\$ 301,125
Income Over/(Under) Expenses	\$ (50,425)
Capital Investment/Contingency	\$ 2,000
Carry Over from prior year	\$ 210,026
Fund Balance, End of Year	\$ 161,601

AUDITED FINANCIAL STATEMENTS

For the Twelve Month Period Ended June 30, 2018

PREPARED FOR:

IDAHO RANGELAND RESOURCES COMMISSION

PREPARED BY:

Wilson, Harris & Co.
Certified Public Accountants
1602 W. Franklin Street
Boise, Idaho 83702

September 27, 2018

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INDEPENDENT AUDITOR'S REPORT

To the Chairman and Members
Idaho Rangeland Resources Commission
PO Box 126
Emmett, Idaho 83617

We have audited the accompanying general-purpose financial statements of Idaho Rangeland Resources Commission as of and for the year ended June 30, 2018 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 an opinion 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 from 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 opinion.

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Idaho Rangeland Resources Commission

Independent Auditor's Report

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Idaho Rangeland Resources Commission, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 27, 2018 on our consideration of the Idaho Rangeland Resources Commission's internal control over financial reporting and on compliance and other matters and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.



Wilson, Harris & Co.
Certified Public Accountants

September 27, 2018

IDAHO RANGELAND RESOURCES COMMISSION
BALANCE SHEET
JUNE 30, 2018

ASSETS:

	2018
Current Assets:	
Cash in Checking	\$ 6,802
Local Government Investment Pool	167,449
Accounts Receivable	2,780
Inventory	1,308
Total Current Assets	178,340
Property and Equipment:	
Vehicle	36,300
Computer & Office Equipment	45,264
Less: Accumulated Depreciation	(41,929)
Total Property and Equipment	39,635
 TOTAL ASSETS	 217,975

LIABILITIES AND FUND BALANCE:

Liabilities:	
Accounts Payable	-
Accrued Payroll & Payroll Taxes	3,514
Total Liabilities	3,514
Fund Balance:	
Unreserved Fund Balance	174,826
Net Investment in Fixed Assets	39,635
Total Fund Balance	214,461
 TOTAL LIABILITIES AND FUND BALANCE	 \$ 217,975

See Accompanying Notes and Independent Auditor's Report

IDAHO RANGELAND RESOURCES COMMISSION
STATEMENT OF REVENUE, EXPENDITURES,
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2018

<u>REVENUE:</u>	<u>2018</u>
Assessments	\$ 196,208
Less: Requested Refunds	(1,212)
Grants	63,444
Registration Fees - Symposium	711
License Plate	39,355
Interest Income	1,631
Total Revenue	<u>300,137</u>
<u>EXPENDITURES:</u>	
Payroll Expenses	106,673
Bank Charges	619
Education Expenses	48,198
Insurance	1,793
Office Supplies	454
Postage & Freight	182
Professional Fees	2,924
Public Relations	90,629
Rent	14,000
Telephone	1,554
Travel & Meals	9,398
Research/Industry Expenses	10,439
Depreciation	10,085
Total Expenditures	<u>296,949</u>
EXCESS OF REVENUE OVER EXPENDITURES	3,188
FUND BALANCE, BEGINNING OF YEAR	210,026
Prior Period Adjustment	<u>1,247</u>
FUND BALANCE, BEGINNING OF YEAR RESTATED	211,273
FUND BALANCE, END OF YEAR	<u><u>\$ 214,461</u></u>

See Accompanying Notes and Independent Auditor's Report

IDAHO RANGELAND RESOURCES COMMISSION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018

	2018
CASH FLOWS FROM OPERATING ACTIVITIES	
Excess of Revenues over Expenditures	\$ 3,188
Adjustments to reconcile excess of revenues over expenditures to cash provided by operating activities:	
Depreciation	10,085
(Increase) decrease in accounts receivable	30,666
(Increase) decrease in inventory	-
Increase (decrease) in accounts payable	1,426
	45,365
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	45,365
CASH FLOWS FROM INVESTING ACTIVITIES	
Capital expenditures / disposition	(48,662)
Accumulated Depreciation Adjustment	-
	-
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(48,662)
CASH FLOWS FROM FINANCING ACTIVITIES	-
Prior Period Adjustments	1,247
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,050)
CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD	176,302
CASH AND CASH EQUIVALENTS - END OF PERIOD	\$ 174,252

See Accompanying Notes and Independent Auditor's Report

IDAHO RANGELAND RESOURCES COMMISSION
Notes to the Financial Statements
June 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

The Commission was created by Chapter 14, Title 58, Idaho Code, which was passed by the Legislature and signed by Gov. Cecil Andrus during the 1994 legislative session. The organization's mission is to provide programs that result in an informed public that understands and supports balanced, responsible management of Idaho's economically vital public and private rangelands. Activities of the Commission are funded by mandatory assessments to owners of dry grazing land and fees based on animal unit months on all domestic cattle and sheep utilizing state grazing lands, United States forest service lands, and bureau of land management lands in the state of Idaho. The Commission may also receive grants, donations and gifts from the general public.

Reporting Entity

The Idaho Rangeland Resource Commission is an "other stand-alone government" that does not meet the definition of a primary government or a component unit as embodied in GASB statement No. 14. There are no component units of the Idaho Rangeland Resource Commission.

Basis of Accounting

The modified accrual basis of accounting is followed by governmental funds. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures, other than interest on long-term debts, are recorded when the liability is incurred.

The accounting policies of the Commission conform to generally accepted accounting principles as applicable to governments. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

Use of Estimates

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

IDAHO RANGELAND RESOURCE COMMISSION
Notes to the Financial Statements (continued)
June 30, 2018

Accounts Receivable

Accounts Receivable at June 30, 2018 includes assessments collected by the Idaho Department of Lands that had not yet been forwarded to the Idaho Rangeland Resources Commission.

NOTE 2: CONCENTRATIONS OF CREDIT RISKS

The Commission maintains a cash balance in one financial institution located in Emmett, Idaho. The balance is insured by the Federal Deposit Insurance Corporation up to \$250,000. At June 30, 2018, the Commission's uninsured cash balances total \$-0-.

NOTE 3: CASH FLOW INFORMATION

The commission considers all short-term investments with an original maturity of three months or less to be cash equivalents. Cash paid for interest for the year ended June 30, 2018 was \$0.00.

NOTE 4: ASSESSMENT REVENUE

Assessment revenue consisted of the following:

AUM Assessments	\$137,765
Private Per Acre Assessment	58,443
Requested Refunds	<u>(1,212)</u>
Net	<u>\$194,996</u>

NOTE 5: PUBLIC EMPLOYEE RETIREMENT SYSTEM OF IDAHO

The Public Employee Retirement System of Idaho (PERSI) – The PERSI Base Plan, a cost sharing multiple-employer public retirement system, was created by the Idaho State Legislature. It is a defined benefit plan requiring that both the member and the employer contribute. The plan provides benefits based on members' years of service, age, and compensation. In addition, benefits are provided for disability, death, and survivors of eligible members or beneficiaries. The authority to establish and amend benefit provisions is established in Idaho Code. Designed as a mandatory system for eligible state and school district employees, the legislation provided for other political subdivisions to participate by contractual agreement with PERSI.

IDAHO RANGELAND RESOURCE COMMISSION
Notes to the Financial Statements (continued)
June 30, 2018

NOTE 5: PUBLIC EMPLOYEE RETIREMENT SYSTEM OF IDAHO (Continued)

After 5 years of credited service, members become fully vested in retirement benefits earned to date. Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. For each month of credited service, the annual service retirement allowance is 2.0% (2.3% police/firefighter) of the average monthly salary for the highest consecutive 42 months.

PERSI issues publically available stand alone financial reports that include audited financial statements and required supplementary information. These reports may be obtained from PERSI's website www.persi.idaho.gov.

The actuarially determined contribution requirements of the Idaho Rangeland Resources Commission and its employees are established and may be amended by the PERSI Board of Trustees. For the year ended June 30, 2018, the required contribution rate as a percentage of covered payrolls for members was 6.23% for general members and 7.65% for police/firefighters. The employer rate as a percentage of covered payroll was 10.39% for general members and 10.73% for police/firefighter members. The Idaho Rangeland Resources Commission employer contributions required and paid were \$8,685, \$8,403, and \$7,781 for the three years ended June 30, 2018, 2017, and 2016, respectively.

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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 Directors
Idaho Rangeland Resources Commission

We have audited the financial statements of Idaho Rangeland Resources Commission as of and for the year ended June 30, 2018, and have issued our report thereon dated September 27, 2018. 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.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Idaho Rangeland Resources Commission's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Idaho Rangeland Resources Commission's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control.

A material weakness is a significant deficiency, or combinations of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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Idaho Rangeland Resources Commission

Compliance and Internal Controls

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Idaho Rangeland Resources Commission's financial statements are free of 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*.

This report is intended solely for the information and use of management, others within the entity, the Board of Trustees, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Wilson, Harris & Co.

Wilson, Harris & Company
September 27, 2018