ADA SOIL AND WATER CONSERVATION DISTRICT

Report on Audited
Basic
Financial Statements
and
Supplemental Information

For the Year Ended June 30, 2024

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Independent Auditor's Report

To the Board of Supervisors
Ada Soil and Water Conservation District
Boise, Idaho

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and the fund information of Ada Soil and Water Conservation District (the District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Ada Soil and Water Conservation District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and the fund information of Ada Soil and Water Conservation 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Ada Soil and Water Conservation 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

Ada Soil and Water Conservation District's 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 Ada Soil and Water Conservation District's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 GAAS, 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 Ada Soil and Water Conservation 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 Ada Soil and Water Conservation District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 19 and 20 presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 managements discuss 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 the 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 October 4, 2024 on our consideration of Ada Soil and 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 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 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 Ada Soil and Water Conservation District's internal control over financial reporting and compliance.

Zwygart John & Associates CPAs, PLLC

Nampa, Idaho
October 4, 2024

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

	Governmental Activities
Assets	
Current Assets:	
Cash and Cash Equivalents	$ 300,179
Accrued Interest	181
Accounts Receivable, Net	22,728
Prepaids	672
Other Assets:	
Long-term Investments	10,868
Capital Assets:	
Land	290,000
Equipment	1,912
Total Assets	626,540
Liabilities	
Accounts Payable	12,963
Accrued Compensated Absences	8,020
Total Liabilities	20,983
Net Position	
Unrestricted	605,557
Total Net Position	$ 605,557

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

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

	Expenses	Program Revenues: Charges for Services and Sales	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position - Governmental Activities
Primary Government:					
Governmental Activities:					
Conservation Operations	$ 280,064	$ 1,920	$ 33,866	$ -	$ (244,278)
Total Governmental Activities	$ 280,064	$ 1,920	$ 33,866	$ -	(244,278)
General Revenues:					
County Allocation					60,000
State Funding					64,500
Other					56,416
Investment Earnings					29,516
Total General Revenues and Special Items					210,432
Change in Net Position					(33,846)
Net Position, Beginning of Year					639,403
Net Position, End of Year					$ 605,557

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

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

	General
Assets	
Cash and Cash Equivalents	$ 300,179
Accrued Interest	181
Accounts Receivable, Net	22,728
Long-term Investments	10,868
Prepaids	672
Total Assets	$ 334,628
Liabilities and Fund Balances	
Liabilities:	
Accounts Payable	$ 12,963
Total Liabilities	12,963
Fund Balances:	
Unassigned	321,665
Total Liabilities and Fund Balances	$ 334,628

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

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

Total Fund Balances - Governmental Funds		$ 321,665
Amounts reported for governmental activities in the Statement of Net Position are different because of the following:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds. The cost of assets consist of:		
Land	$ 290,000	
Equipment, Net of $80,438 Accumulated Depreciation	1,912	
		291,912
Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Compensated absences are not accrued in governmental funds, but rather are recognized as an expenditure when due. All liabilities - both current and long-term - are reported in the		
Compensated Absences		(8,020)
Total Net Position - Governmental Activities		$ 605,557

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

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

	General
Revenues	
County Appropriations	$ 60,000
State Appropriations	64,500
Federal Grant Revenues	33,866
Other Operating Revenues	58,336
Investment Income	29,516
Total Revenues	246,218
Expenditures	
Personnel Expenses	166,564
Supplies	1,300
Professional Services	5,741
Contract Labor	13
Dues	1,980
Insurance	1,848
Training	87,130
Rent	1,000
Repairs & Maintenance	148
Other Operating Expenditures	8,085
Total Expenditures	273,809
Net Change in Fund Balances	(27,591)
Fund Balances - Beginning	349,256
Fund Balances - Ending	$321,665

The accompanying notes are an integral
part of the financial statements

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

Total Net Change in Fund Balance - Governmental Funds		$ (27,591)
Amounts reported for governmental activities in the Statement of Activities are different because of the following:		
Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their useful lives as depreciation expense. In the current period these		
Depreciation	$ (2,550)	
		(2,550)
Compensated absences reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. This amount represents the net change in compensated absences for the year.		(3,705)
Change in Net Position of Governmental Activities		$ (33,846)

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

B. Basis of Presentation, Basis of Accounting

Basis of Presentation

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

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

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

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

The District reports the following major governmental funds:

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

Basis of Accounting

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

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

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

Leases

The District recognizes lease contracts or equivalents that have a term exceeding one year and material cumulative future payments on the contract. The District uses a discount rate that is explicitly stated or implicit in the contract. When a readily determinable discount rate is not available, the discount rate is determined using the District's incremental borrowing rate at start of the lease for a similar asset type and term length to the contract. Short-term lease payments are expensed when incurred. Short-term lease receipts and variable lease receipts not included in the measurement of the lease receivable and recognized as income when earned.

Fund Balance Reporting in Governmental Funds

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

- *Unassigned*. Balances available for any purpose

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

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

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

C. ASSETS AND LIABILITIES

Capital Assets

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

Conservation easements are reported as land. They are perpetual easements, preventing any possible future sale or transfer by the District. One of these easements was purchased by the District and the other was granted, both dating from fiscal year 2013.

Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets are reported in the government-wide statements are shown below:

	Capitalization Policy	Depreciation Method	Estimated Useful Life
Equipment and Vehicles	$5,000	Straight-Line	10 Years

Depreciation is used to allocate the actual or estimated historical cost of all capital assets over their estimated useful lives.

Accounts Payable

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

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. CASH AND INVESTMENTS

Deposits

As of June 30, 2024, the carrying amount of the District's deposits was $58,434 and the respective bank balances totaled $65,085. The total bank balance was insured with pooled securities held by the pledging institution in the name of the District.

Custodial Credit Risk – Deposits

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

Custodial Credit Risk – Investments

Credit risk is the risk that an issuer or other counter party to an investment will not fulfill its obligations. The District does not have a formal policy limiting its exposure to custodial credit risk. Investments are held at D.A. Davidson & Co. in the name of the District and, all but $2,549 are not insured or collateralized and thus are exposed to custodial credit risk.

Concentrations of Credit Risk

Concentration of credit risk is defined as investments in any one issuer that represent 5% or more of total investments. The District had the following concentrations as of June 30, 2024:

- Eli Lilly Corporate Bonds: $10,165
- Idaho Central Credit Union CD's:$10,868

Interest Rate Risk

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

Investments

It is the District's intent to limit investments to the safest types of securities and to diversify the District's investment portfolio so that potential losses on securities will be minimized. The District is required to follow Idaho Statute that outlines qualifying investment options under Idaho Code 50-1013R and 67-1210A.

The fair values of investments were determined by the broker-dealer. No investments were reported at amortized cost and the District has no such policy in place.

The District's investments at June 30, 2024, are summarized below:

			Maturities (in Years)		
Investment Type	Rating	Fair Value	Less than 1	1 - 5	>5
External Investment Pool	-	$ 11,848	$ 11,848	$ -	$ -
Mutual Funds	-	219,732	219,732	-	-
Bank Insured Deposits	-	2,549	2,549	-	-
Total Cash Equivalent Investments		$ 234,129	$ 234,129	$ -	$ -
Corporate Bonds	A+	$ 10,165	$ -	$ 10,165	$ -
Certificate of Deposit	-	10,868	10,868	-	-
Total Long-term Investments		$ 21,033	$ 10,868	$ 10,165	$ -

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

	Governmental Activities
Cash	$ 58,434
Cash equivalents	241,745
Cash and cash equivalents	300,179
Investments	21,033
	$ 321,212

3. RISK MANAGEMENT

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

4. ACCOUNTS RECEIVABLE

The District reflects receivables in the financial statements net of allowance for uncollectible accounts. Below is the detail of receivables, including the applicable allowance for uncollectible accounts, as of June 30, 2024.

Accounts Receivable	$ 24,878
Less: Allowance for uncollectibles	(2,150)
Net Recievables	$ 22,728

5. COMPENSATED ABSENCES

The District accrues and pays out vacation time. The summary for the year is as follows:

6/30/23	Earned	Used	6/30/24	Current Portion
$ 4,315	$ 7,730	$ 4,025	$ 8,020	$ 8,020

6. OTHER COMMITMENTS

The District maintains credit cards with a total credit limit of $10,000. As of June 30, 2024, $135 of the available credit was in use.

7. CAPITAL ASSETS

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

	Balance 6/30/20	Additions	Disposals	Balance 6/30/21
Governmental Activities:				
Capital Assets not being depreciated				
Land	$290,000	$ -	$ -	$290,000
Capital Assets being depreciated				
Equipment	82,350	-	-	82,350
Total Depreciable Cost	82,350	-	-	82,350
Less: Accumulated Depreciation				
Equipment	77,888	2,550	-	80,438
Total Accumulated Depreciation	77,888	2,550	-	80,438
Net Depreciable Assets	4,462	(2,550)	-	1,912
Governmental Activities				
Capital Assets - Net	$294,462	$ (2,550)	$ -	$291,912

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

General Government	$ 2,550

REQUIRED SUPPLEMENTARY INFORMATION

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

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues				
County Allocation	$ 60,000	$ 60,000	$ 60,000	$ -
State Base Funding	64,500	64,500	64,500	-
No-Till Drill Lease Income	5,000	5,000	1,920	(3,080)
Grant	50,000	50,000	33,866	(16,134)
Other	128,879	128,879	56,416	(72,463)
Investment Income	-	-	29,516	29,516
Total Revenues	308,379	308,379	246,218	(62,161)
Expenditures				
General:				
Office Supplies	5,000	5,000	6,740	(1,740)
Insurance	2,900	2,900	1,798	1,102
Dues	2,900	2,900	1,980	920
Professional Services	6,000	6,000	5,741	259
Meetings and Conferences	8,000	8,000	9,431	(1,431)
Mileage	2,000	2,000	1,309	691
Total General	26,800	26,800	26,999	(199)
Staff:				
District Manager	57,000	57,000	56,745	255
Payroll Expenses	109,000	109,000	99,129	9,871
Total Staff	166,000	166,000	155,874	10,126
Programs				
Avimor	5,000	5,000	-	5,000
No-till Drill	2,000	2,000	148	1,852
Natural Resources Camp	1,400	1,400	1,120	280
Envirothon	1,000	1,000	-	1,000
Posters/Speech Contest	600	600	150	450
Community Conservation Grant	30,000	30,000	12,400	17,600
Innovation Farm	52,015	52,015	2,300	49,715
Harvest and Health	35,000	35,000	24,092	10,908
Treasure Valley Pollinator Program	35,000	35,000	34,678	322
Soil Education	7,600	7,600	12,069	(4,469)
Water Conservation	5,000	5,000	1,415	3,585
Public Outreach - Other	-	-	2,551	(2,551)
Project Funds	300,996	300,996	13	300,983
Total Programs	475,611	475,611	90,936	384,675
Total Expenditures	668,411	668,411	273,809	394,602
Net Change in Fund Balances	(360,032)	(360,032)	(27,591)	332,441
Fund Balances - Beginning	360,032	360,032	349,256	(10,776)
Fund Balances - Ending	$ -	$ -	$ 321,665	$ 321,665

1. BUDGETS AND BUDGETARY ACCOUNTING

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

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

B. Public hearings are conducted to obtain taxpayer comments.

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

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

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

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

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

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

FEDERAL REPORTS

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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 Supervisors
Ada Soil and Water Conservation District
Boise, Idaho

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standard* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the fund information of Ada Soil and Water Conservation District (the District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Ada Soil and Water Conservation District's basic financial statements, and have issued our report thereon dated October 4, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Ada Soil and Water Conservation District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Ada Soil and Water Conservation District's internal control. Accordingly, we do not express an opinion on the effectiveness of Ada Soil and 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 Ada Soil and Water Conservation District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described below.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Zwygart John & Associates, CPAs, PLLC

Nampa, Idaho
October 4, 2024