

sorren CPAs, PC

Financial Statements

Nez Perce Soil and Water Conservation District

Includes Supplemental Information

Year ended June 30, 2024

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sorren CPAs P.C.

INDEPENDENT AUDITORS' REPORT

Board of Supervisors
Nez Perce Soil and Water Conservation District
Culdesac, Idaho

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying financial statement present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Nez Perce Soil and Water Conservation District, as of June 30, 2024, and the respective changes in financial position 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*, (GAS) 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 Nez Perce 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

Nez Perce 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 Nez Perce Soil and Water Conservation District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and GAS 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 and GAS, 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 Nez Perce 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 Nez Perce 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

Management has omitted Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the 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 statement 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 June 13, 2025, on our consideration of Nez Perce 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 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 Nez Perce Soil and Water Conservation District's internal control over financial reporting and compliance.

Sorren CPAs P.C.

Meridian, Idaho
June 13, 2025

NEZ PERCE SOIL AND WATER CONSERVATION DISTRICT
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUND BALANCE SHEET
June 30, 2024

	Governmental Fund	Adjustments Note B	Statement of Net Position
ASSETS			
Cash and cash equivalents	$ 2,715,572	$	$ 2,715,572
Investments	398,116		398,116
Contract receivables	198,529		198,529
Inventory	25,399		25,399
Capital assets, net of accumulated depreciation		158,554	158,554
Total Assets	$ 3,337,616		$ 3,496,170
LIABILITIES			
Accounts payable	$ 38,031		$ 38,031
Accrued payroll liabilities	25,084		25,084
Accumulated vacation and credit leave		7,920	7,920
Advanced revenue	44,048		44,048
Total Liabilities	107,163		115,083
FUND BALANCE/NET POSITION			
Fund Balances:			
Nonspendable:			
Inventory	25,399	(25,399)	
Assigned to:			
Equipment replacement	121,200	(121,200)	
Building repairs	92,500	(92,500)	
Accrued vacation and sick leave	38,675	(38,675)	
Operating capital	27,000	(27,000)	
Communication system	200,593	(200,593)	
Unassigned	2,725,086	(2,725,086)	
Total Fund Balances	3,230,453		
Total Liabilities and Fund Balances	$ 3,337,616		

See notes to financial statements.

NEZ PERCE SOIL AND WATER CONSERVATION DISTRICT
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUND BALANCE SHEET (Continued)
June 30, 2024

Net Position:		
Investment in capital assets	158,554	158,554
Unrestricted	3,222,533	3,222,533
Total Net Position		3,381,087
Total Liabilities and Net Position		$ 3,496,170

See notes to financial statements.

NEZ PERCE SOIL AND WATER CONSERVATION DISTRICT
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
For the Year Ended June 30, 2024

	Governmental Fund	Adjustments Note C	Statement of Activities
EXPENDITURES			
Conservation Planning and Development:			
Salary and fringe benefits	$ 221,976	$ (247)	$ 221,729
Professional service expenditures	418,730		418,730
BMP expenses	72,235		72,235
Other expenditures	67,746		67,746
Total	780,687		780,440
Capital outlay	65,924	(65,924)	
Depreciation expense		26,686	26,686
Total Expenditures	846,611		807,126
REVENUE			
Program Revenues:			
Contract revenue - Federal sources	570,267		570,267
Contract revenue - Other sources	241,237	(18,006)	223,231
Charges for services	4,214		4,214
Total Program Revenue	815,718		797,712
General Revenue			
County and state appropriation	104,500		104,500
Earnings on investments and other income	146,157		146,157
Other revenue	48,010		48,010
Total General Revenue	298,667		298,667
Total Revenue	1,114,385		1,096,379
Excess of Revenues Over Expenditures	267,774		
Change in Net Postion			289,253
FUND BALANCE/NET POSITION			
Beginning of Year	2,962,679		3,091,834
End of Year	$ 3,230,453		$ 3,381,087

See notes to financial statements.

Note A – Summary of Significant Accounting Policies

General Statement

The Nez Perce Soil and Water Conservation District (the District) was formed in 1941 as a special district under Title 22 of the laws of the State of Idaho. Operating funds are provided primarily through grants and appropriations from the State of Idaho and Nez Perce County. The District administers grants from the State of Idaho and the federal government to accomplish soil and water conservation objectives.

Following are the significant grants administered by the District in the current fiscal year. Grants generally include some provision of the District administrative costs.

BPA Contract – The Bonneville Power Administration funds this contract. The project goal is to improve steelhead rearing and spawning habitat in order to enhance natural reproduction. A major part of the grant is the implementation of Best Management Practices (BMP) to reduce stream temperatures, restore access to blocked stream segments, improve in-stream habitat conditions, reduce sediment and improve stream hydrology. Project staff are responsible for BMP implementation, design, monitoring, planning, inventory and assessment, contract administration, and environmental permitting.

Pacific Coast Salmon Recovery Fund (PCSRF) Contracts – The District sponsors several projects that are funded through the PCSRF by the National Oceanic and Atmospheric Administration's National Marine Fisheries Service. The PCSRF are administrated in Idaho by the Idaho Governor's Office of Species Conservation (OSC). The district applies for project funding when application periods are open. The purpose of the PCSRF is to improve steelhead spawning and rearing habitat to increase viable populations of steelhead. The district utilizes funds to plan and design projects as well as implement BMPs that address steelhead limiting factors such as excess sediment, passage barriers, in-stream habitat complexity, reduce stream temperatures, and water retention measures.

Financial Reporting Entity

The District's financial statements include the accounts of all District operations. The District has no component units based on the criteria for including organizations as component units within the District's reporting entity.

Note A – Summary of Significant Accounting Policies (Continued)

Government-Wide and Fund Financial Statements

As allowed under GASB 34, the District is reported as a single purpose entity. This allows for the government-wide financial statements to be combined with the fund-level financial statements (i.e., the statement of net position and governmental fund balance sheet and, the statement of activities and governmental fund statement of revenues, expenditures, and changes in fund balances). The government-wide column of the financial statements (the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. The statement of activities demonstrates the degree to which the direct expenses are offset by program revenues.

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 may differ from those estimates.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide column of the financial statements is 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 flow takes place. Revenue from grants is recognized when an expenditure under the terms of the grant have been satisfied.

The governmental fund column of the financial statements is reported using the current financial resource 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 available if the revenues are collected within sixty days after year-end. State grant revenue is considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt and compensated absences, which are recognized as expenditures to the extent they have matured. General capital assets acquisitions are reported as expenditures in government funds. Acquisitions under capital leases are reported as other financing sources. Deferred inflows are reported in the fund financial statements. Deferred inflows arise when potential revenues does not meet both the measurable and available criteria for recognition in the current period. Deferred inflows also arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District had a legal claim to the resources, the deferred inflow is removed from the balance sheet and revenue is recognized.

Note A – Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The District is accounted for as a special-purpose government engaged in a single governmental program. The combined statement of net position and the statement of activities display information about the District. These statements include the financial activities of the overall reporting entity. Governmental activities generally are financed through state grant monies and county and state appropriations. The District is a special-purpose government engaged in a single governmental program. Therefore, it accounts for all of its financial resource under the general fund. The major sources of revenue are state grants and county and state appropriations.

Budgets

The District does not have a budgetary requirement under State law.

Cash

Cash and cash equivalents include cash on hand, cash in banks, and highly liquid investments with maturity dates of less than three months. The carrying value of cash and cash equivalents approximates fair value because of the short-term maturities.

Investments

Idaho Code provides authorization for the investment of funds as well as specific direction regarding allowable investments. The District's policy is consistent with this direction. The District currently invests in interest bearing bank accounts, certificates of deposit and the State of Idaho local government investment pool.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Note A – Summary of Significant Accounting Policies (Continued)

Capital Assets

The accounting treatment over capital assets depends on whether the assets are used in governmental fund operations and whether they are reported in the government-wide or fund financial statements.

Government-wide Statements - In the government-wide financial statements, property and equipment are accounted for as capital assets. All capital assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated fixed assets which are recorded at their estimated acquisition value at the date of donation.

Assets costing more than $5,000 with a useful life of three years or more are included in capital assets. Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The district holds various pieces of equipment with a 5 year useful life.

Fund Financial Statements - In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Inventory

Inventory consists of plants and is valued at the lower of cost or market. Cost is determined on the first-in, first-out basis.

Accumulated Unpaid Vacation, Credit Leave and Sick Pay Amounts

The District provides vacation, credit leave and sick leave to its employees. Earned vacation and credit leave is paid to employees when taken or paid to employees or beneficiaries upon the employee's termination, retirement, or death. Employees are not compensated for unused sick leave.

Program and Advanced Revenue

All federal and state contracts are shown as program revenue. Revenue from contracts, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Revenue received prior to this are recorded as advanced revenue. Program expenses are allocated to restricted program revenue when both restricted and unrestricted revenues are available.

Note B – Explanation of Differences Between the Statement of Net Position and Governmental Fund Balance Sheet

Total fund balances in the District's governmental fund may differ from the net position of the governmental activities reported in the statement of net position as a result of the long-term economic focus of the statement of net position versus the current financial resources focus of the governmental fund balance sheet.

Fund balance - Total Governmental Funds	$ 3,230,453
Capital assets used in Governmental activites are not financial resources and, therefore, are not reported in the funds	158,554
Accumulated vacation and credit leave	(7,920)
Net Position of Governmental Activities:	$ 3,381,087

Note C – Explanation of Differences Between the Statement of Activities and Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance

The net change in fund balances for governmental funds may differ from the change in net position for governmental activities reported in the statement of activities as a result of the long-term economic focus of the statement of activities versus the current financial resource focus of the governmental funds.

Net change in fund balances - Total Governmental Funds	$ 267,774
Governmental funds use the current financial resource measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Revenue is considered available if collected within sixty days afteryear-end. This is the amount of revenue included in contracts receivable previously recorded as a deferred inflow of recourses for unavailable revenue in the prior year.	(18,006)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay of $65,924 exceeded depreciation of $26,686 in the current period.	39,238
Change in accumulated leave	247
Change in Net Position of Governmental Activities	$ 289,253

Note D – Deposits With Financial Institutions and Investment

Idaho Code provides authorization for the investment of funds as well as specific direction regarding allowable investments. The District's policy is consistent with this direction.

Banking and Investment Policy

The District obtains its funding from state and county appropriation along with grants and charges for services. As of June 30, 2024 the District had deposits or investments in the following accounts:

1. Potlatch No 1 Federal Credit Union – Business Checking and Savings (federally insured)
2. D.A. Davidson – Investments in Certificates of Deposit (federal insured)
3. State of Idaho – Local Government Investment Pool (uncategorized)

The District considers highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents and they are carried at cost, which approximates market value. The certificates of deposit have original maturities ranging from one to three years and are reported as investments in the statement of net position. The level of risk assumed by the District is:

	Carrying Amount	Bank Balance
Federally Insured, (NCUA)	$ 117,243	$ 126,023
Bank Insured Deposit Program, (BIDP)	627,882	627,882
Uncategorized	2,368,563	2,368,563
	$ 3,113,688	$ 3,122,468

Credit Risk

Credit risk is the risk that an issuer of debt securities or another counterparty to an investment will not fulfill its obligation is commonly expressed in terms of the credit quality rating issued by a nationally recognized statistical rating organization such as Moody's, Standard & Poor's, and Fitch's. The LGIP is not rated. The funds objectives and overall strategy and structure has not changed.

Interest Rate Risk

Interest rate risk is the risk that the changes in market interest rates will adversely impact the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to change in market interest rates. The District does not have a policy regarding interest rate risk.

Note D – Deposits With Financial Institutions and Investment (Continued)

Custodial Credit Risk

For deposits and investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its deposits, investments, or collateral securities that are in the possession of an outside party. The National Credit Union Administration (NCUA) insures $250,000 of the depository account balance. The Local Government Investment Pool is managed by the State of Idaho Treasurer's office, which includes management of the collateralization of deposits in the pool. The funds of the pool are invested in certificates of deposit, repurchase agreements, and U.S. government securities. The certificate of deposit are federal insured. The U.S government securities and the collateral for the repurchase agreements are held in trust by a safekeeping bank.

In addition, District cash and certificates of deposits totaling $627,882, are insured through the Bank Insured Deposit Program, (BIDP).

The District had no uninsured bank balances as of June 30, 2024.

Concentration of Credit Risk

When investments are concentrated in one issuer, this concentration represents heightened risk of potential loss. No specific percentage identifies when concentration risk is present. The GASB has adopted a principal that governments should provide note disclosure when five percent of the total entities investments are concentrated in any one issuer.

Investments in obligations specifically guaranteed by the U.S. government, mutual funds, and other pooled investments are exempt from disclosure. The District does not place a limit on the amount it may invest in any one issuer.

Note E – Retirement Plan

The District has established a SIMPLE retirement plan for its employees. The District makes matching contributions to each eligible employee's SIMPLE retirement plan equal to 100% of the employee's salary reduction contributions up to a limit of 3% of the employee's wages for the year. The District contributed $3,497 during the year ended June 30, 2024.

Note F – Contracts Receivable

Contracts receivable at June 30, 2024, consist of amounts billed to the grant agencies that have not yet been received. No allowance for credit losses is considered necessary.

Note G – Capital Assets

A summary of changes in capital assts follows:

	Balance June 30, 2023	Additions	Deletions	Balance June 30, 2024
Property and equipment	$ 274,434	$ 65,924	$	$ 340,358
Accumulated depreciation	(155,118)	(26,686)		(181,804)
Net Property and Equipment	$ 119,316	$ 39,238	$	$ 158,554

Note H – Contingencies

The District receives grants that are subject to review and audit by various state and other agencies. Such audits could result in a request for reimbursement by the agencies for expenditures disallowed under the terms and conditions of the appropriate agency. In the opinion of the District, such disallowances, if any, will not be significant.

Note I – Economic Dependency

The District receives a major portion of its revenue from few granting agencies. The management of the District is of the opinion that the grants will continue to be funded but feel they would be able to operate at a reduced capacity even if all the funding sources were not available.

Note J – Risk Management

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 purchases liability insurance through a commercial insurance carrier.

There were no significant reductions in insurance coverage from the prior year, and there have been no settlements that exceed the District's insurance coverage.

Note K – Related Parties

Supervisors of the District may be compensated for time spent conducting the affairs of special projects awarded to the District. Total compensation per day may not exceed $35. Supervisors have not received compensation during the year ended June 30, 2024.

Supervisors of the District are landowners in Nez Perce County and are eligible for Best Management Practices (BMP) payments. No payments made during the year ended June 30, 2024.

Note L – Fund Balance

As of June 30, 2024, fund balances of the governmental funds are classified as follows:

Non-Spendable - includes balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints. As of June 30, 2024, inventories have been classified as non-spendable fund balance.

Restricted For - includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation. As of June 30, 2024, there are no balances that should be classified as restricted for fund balance.

Committed To – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority and does not lapse at year end. The Board of Supervisors are the highest level of decision making authority for the District. Commitments may be established through resolutions approved by the Board of Supervisors. As of June 30, 2024, no amounts have been committed.

Assigned To – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balance may be assigned by the finance committee or executive director. As of June 30, 2024, balances for operating capital reserve, communication, equipment replacement, building purchases and accrued vacation and sick leave have been classified as assigned to fund balance.

Unassigned – includes positive fund balance within the general fund which has not been classified within the above mentioned categories.

Note L – Fund Balance (Continued)

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Supervisors or the finance committee has provided otherwise in its commitment or assignment actions.

Other Supplementary Information

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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 Supervisors
Nez Perce Soil and Water Conservation District
Culdesac, 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 *Governmental Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Nez Perce Soil and Water Conservation District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Nez Perce Soil and Water Conservation District's basic financial statements, and have issued our report thereon dated June 13, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Nez Perce 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 Nez Perce Soil and Water Conservation District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses or significant deficiencies. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Nez Perce Soil and Water Conservation District'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*.

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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Sorren CPAs P.C.

Meridian, Idaho
June 13, 2025