PAYETTE SOIL AND WATER CONSERVATION DISTRICT

Report on Audited
Basic
Financial Statements
and
Supplemental Information

For the Year Ended June 30, 2024

Table of Contents

Independent Auditor's Report 3

BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements

Statement of Net Position 5

Statement of Activities 6

Fund Finanical Statements

Balance Sheet – Governmental Funds 7

Reconciliation of the Balance Sheet of the Governmental Fund to the Statement of Net Position 8

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds 9

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of the Governmental Funds to the Statement of Activities 10

Notes to Financial Statements 11

REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Comparison Schedule (GAAP Basis):

General Fund 18

Notes to Required Supplementary Information 19

FEDERAL REPORTS

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* 21

ZWYGART JOHN
CERTIFIED PUBLIC ACCOUNTANTS
Zwygart John & Associates CPAs, PLLC
16130 North Merchant Way, Suite 120 ◆ Nampa, Idaho 83687
Phone: 208-459-4649 ◆ FAX: 208-229-0404

Independent Auditor's Report

To the Board of Supervisors
Payette Soil and Water Conservation District
Payette, 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 Payette 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 Payette 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 Payette 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 Payette 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

Payette 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 Payette 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 and *Government Auditing Standards* 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 *Government Auditing Standards*, 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 Payette 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 Payette 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 18 and 19 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 November 20, 2024 on our consideration of Payette 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 Payette Soil and Water Conservation District's internal control over financial reporting and compliance.

Zwygart John & Associates CPAs, PLLC

Nampa, Idaho
November 20, 2024

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

	Governmental Activities
Assets	
Current Assets:	
Cash and Cash Equivalents	$ 90,553
Capital Assets:	
Equipment	122
Right of Use Asset	18,164
Total Assets	108,839
Liabilities	
Payroll Liabilities	371
Lease Payable, Current Portion	6,346
Noncurrent Liabilities	
Lease Payable, Net of Current Portion	11,818
Total Liabilities	18,535
Net Position	
Unrestricted	90,304
Total Net Position	$ 90,304

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

Payette 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	$ 314,021	$ 7,150	$ 286,119	$ -	$ (20,752)
Total Governmental Activities	$ 314,021	$ 7,150	$ 286,119	$ -	(20,752)

General Revenues:	
County Allocation	5,000
City Allocation	1,000
State Funding	23,862
Other	120
Total General Revenues and Special Items	29,982
Change in Net Position	9,230
Net Position, Beginning of Year	81,074
Net Position, End of Year	$ 90,304

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

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

	General
Assets	
Cash and Cash Equivalents	$ 90,553
Total Assets	$ 90,553
Liabilities and Fund Balances	
Liabilities:	
Payroll Liabilities	$ 371
Total Liabilities	371
Fund Balances:	
Unassigned	90,182
Total Liabilities and Fund Balances	$ 90,553

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

Payette 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		$ 90,182
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:		
Equipment, Net of $3,020 Accumulated Depreciation	$ 122	
		122
Total Net Position - Governmental Activities		$ 90,304

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

Payette 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	$ 5,000
City Appropriations	1,000
State Appropriations	23,862
Federal Grant Revenues	286,119
Other Operating Revenues	27,531
Total Revenues	343,512
Expenditures	
Personnel Expenses	16,330
Supplies	813
Professional Services	233
Grant Expense	269,569
Dues	3,137
Insurance	2,172
Meetings & Conferences	192
Rent	6,728
Other Operating Expenditures	14,605
Capital Outlay	20,261
Total Expenditures	334,040
Net Change in Fund Balances	9,472
Fund Balances - Beginning	80,710
Fund Balances - Ending	$ 90,182

The accompanying notes are an integral
part of the financial statements

Payette 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		$ 9,472
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		
Capital Outlay	$ 20,261	
Depreciation	(242)	
		20,019
Some capital additions were financed through lease financing. In governmental funds, a lease payable arrangement is considered a source of financing, but in the Statement of Net Position, the lease obligation is		(18,164)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
Repayment of Office Lease Principal		(2,097)
Change in Net Position of Governmental Activities		$ 9,230

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 Payette 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.

Equipment is depreciated on a straight line basis with useful lives ranging from 3 to 5 years. Depreciation is used to allocate the actual or estimated historical cost of all capital assets over their estimated useful lives.

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 $90,553 and the respective bank balances totaled $91,038. 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.

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. OTHER COMMITMENTS

The District maintains credit cards with a total credit limit of $26,000. As of June 30, 2024, $186 of the available credit was in use.

5. CAPITAL ASSETS

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

	Balance 6/30/23	Additions	Disposals	Balance 6/30/24
Governmental Activities:				
Capital Assets being depreciated				
Equipment	$ 3,142	$ -	$ -	$ 3,142
Total Depreciable Assets	3,142	-	-	3,142
Less: Accumulated Depreciation				
Equipment	2,778	242	-	3,020
Total Accumulated Depreciation	2,778	242	-	3,020
Governmental Activities				
Capital Assets - Net	$ 364	$ (242)	$ -	$ 122

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

General Government	$ 242

6. LEASE COMMITMENTS

The District entered into a three-year lease for office space in February 2024. Monthly payments were due in the amount of $576 for the office space. The monthly rent payments increase 4% each year.

Total Right of Use Assets and Lease Liabilities as of June 30, 2024 are as follows:

	2024
Lease Assets - Classification in Statement of Financial Position	
Operating Lease Right to Use	
Office Space	$ 20,261
Less Accumulated Amortization	(2,097)
Total Leased Right to Use	$ 18,164

	2024
Lease Liabilites - Classification in Statement of Financial Positon	
Operation Lease Liabilities	
Office Space	$ 18,164
Total Lease Liabilities	$ 18,164

Total Lease costs for the year ended June 30, 2024 are as follows:

Year Ended June 30,	Principle
2025	$ 7,007
2026	7,287
2027	4,986
	$ 19,280
Less: Imputed Interest	(1,117)
Present Value of Liability	$ 18,163

REQUIRED SUPPLEMENTARY INFORMATION

Payette 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	$ 5,000	$ 5,000	$ 5,000	$ -
State Base Funding	25,500	25,500	23,862	(1,638)
City Allocation	3,000	3,000	1,000	(2,000)
Grants	309,614	309,614	286,119	(23,495)
Other	6,700	6,700	27,531	20,831
Total Revenues	349,814	349,814	343,512	(6,302)
Expenditures				
General:				
Rent	6,540	6,540	6,728	(188)
Office Supplies	750	750	813	(63)
Insurance	2,200	2,200	2,172	28
Dues	2,275	2,275	3,137	(862)
Utilities	3,000	3,000	2,893	107
Professional Services	350	350	233	117
Meetings and Conferences	192	192	192	-
Meals	800	800	778	22
Mileage	-	-	308	(308)
Donations	-	-	52	(52)
Capital Outlay	-	-	20,261	(20,261)
Total General	16,107	16,107	37,567	(21,460)
Payroll:				
District Employee	25,000	25,000	15,426	9,574
Payroll Expenses	2,350	2,350	904	1,446
Total Payroll	27,350	27,350	16,330	11,020
Programs				
Grants	290,928	290,928	269,569	21,359
Symposium	11,390	11,390	10,232	1,158
Public Outreach	600	600	342	258
Total Programs	302,918	302,918	280,143	22,775
Total Expenditures	346,375	346,375	334,040	12,335
Net Change in Fund Balances	3,439	3,439	9,472	6,033
Fund Balances - Beginning	213,710	213,710	80,710	(133,000)
Fund Balances - Ending	$ 217,149	$ 217,149	$ 90,182	$ (126,967)

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

ZWYGART JOHN
CERTIFIED PUBLIC ACCOUNTANTS
Zwygart John & Associates CPAs, PLLC
16130 North Merchant Way, Suite 120 ◆ Nampa, Idaho 83687
Phone: 208-459-4649 ◆ FAX: 208-229-0404

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
Payette Soil and Water Conservation District
Payette, 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 Payette 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 Payette Soil and Water Conservation District's basic financial statements, and have issued our report thereon dated November 20, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Payette 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 Payette Soil and Water Conservation District's internal control. Accordingly, we do not express an opinion on the effectiveness of Payette 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 Payette 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
November 20, 2024

Payette Soil and Water Conservation District
Schedule of Findings
For the Year Ended June 30, 2024

2024-001: Segregation of Duties

Criteria:
Duties for custody, recording, and authorization should be performed by different personnel to help prevent, detect, and correct misstatements.

Condition:
The clerk performs duties that involve custody, recording, and authorization over cash and revenue.

Effect:
The lack of this control could cause a misstatement in the annual financial statements and footnotes to go undetected.

Cause:
This situation is common in entities of this size and is a direct result of the cost/benefit of having enough staff in place to be able to segregate duties.

Recommendation:
The District should consider realigning job duties or implementing mitigating controls, such as having a board member review and initial documents related to cash and revenue.

Response:
See Management's Response to Findings.

2024-001: Segregation of Duties

The board will evaluate the cost/benefit of realigning job descriptions and duties to accomplish proper internal control procedures over cash and cash equivalents and the related transactions and, if possible, implement those changes accordingly.

If there are any questions regarding this plan, contact the District at (208) 642-6129.