PORTNEUF SOIL AND WATER CONSERVATION DISTRICT
A SUBDIVISION OF THE STATE OF IDAHO

ANNUAL FINANCIAL STATEMENTS

JUNE 30, 2024

PORTNEUF SOIL AND WATER CONSERVATION DISTRICT

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INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors
Portneuf Soil and Water Conservation District
Pocatello, Idaho

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Portneuf 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 Portneuf Soil and Water Conservation District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Portneuf 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 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 Portneuf 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

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 Portneuf 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 generally accepted auditing standards 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 generally accepted auditing standards 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 Portneuf 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 Portneuf 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 listed in the table of contents to be 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.

Portneuf Soil and Water Conservation District has omitted the required Management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated July 23, 2025, on our consideration of the Portneuf 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 Portneuf Soil and Water Conservation District's 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 Portneuf Soil and Water Conservation District's internal control over financial reporting and compliance.

Deaton & Company

Pocatello, Idaho
July 23, 2025

PORTNEUF SOIL AND WATER CONSERVATION DISTRICT
STATEMENT OF NET POSITION
AS OF JUNE 30, 2024

	Governmental Activities
	2024
ASSETS	
Cash and cash equivalents	$ 122,596
Grant receivable	250,000
Total assets	$ 372,596
LIABILITIES	
Accounts payable	$ 231,148
Payroll tax and related liabilities	10,187
Total liabilities	241,335
NET POSITION	
Unrestricted	131,261
Total net position	$ 131,261

The notes to the financial statements are an integral part of this statement.

PORTNEUF SOIL AND WATER CONSERVATION DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Function/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes Net Position: 2024 Governmental Activities
GOVERNMENTAL ACTIVITIES				
General administration	$ 60,546	$ 33,832	$ -	$ (26,714)
Land conservation projects	312,931	-	304,671	(8,260)
Total governmental activities	$ 373,477	$ 33,832	$ 304,671	$ (34,974)
General revenues:				
State and local aid not restricted to specific purposes:				60,682
Interest and investment earnings				2,952
Total general revenues				63,634
Changes in net position				28,660
Beginning net position				102,601
Ending net position				$ 131,261

The notes to the financial statements are an integral part of this statement.

PORTNEUF SOIL AND WATER CONSERVATION DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024

	General Fund
ASSETS	
Cash and cash equivalents	$ 122,596
Grant receivable	250,000
Total assets	$ 372,596
LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts payable	$ 231,148
Payroll tax and related liabilities	10,187
Total liabilities	241,335
Fund Balances:	
Unassigned	131,261
Total fund balances	131,261
Total liabilities and fund balances	$ 372,596

The notes to the financial statement are an integral part of this statement.

PORTNEUF SOIL AND WATER CONSERVATION DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENTS OF NET POSITION
JUNE 30, 2024

	2024
Total *fund* balances for governmental funds	$ 131,261
Total *net position* reported for governmental activities in the statement of net position is different because:	
Capital assets used in governmental activities are not financial resources and therefore not reported in the funds.	
Cost of capital assets	1,320
Depreciation expense to date	(1,320)
	-
Total net position of governmental activities	$ 131,261

The notes to the financial statement are an integral part of this statement.

PORTNEUF SOIL AND WATER CONSERVATION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	General Fund
REVENUES	
County appropriations	$ 15,000
State appropriations	41,182
Interest	2,952
City appropriations	4,500
Grant income	304,671
Services	33,832
Total revenues	402,137
EXPENDITURES	
Current	
General administration	60,546
Land conservation projects	312,931
Total expenditures	373,477
Excess revenues (expenditures)	28,660
NET CHANGE IN FUND BALANCE	28,660
BEGINNING FUND BALANCE	102,601
ENDING FUND BALANCE	$ 131,261

The notes to the financial statement are an integral part of this statement.

PORTNEUF SOIL AND WATER CONSERVATION DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	2024
Net changes in *fund balances* - total government funds	$ 28,660
The change in *net position* reported for governmental activities in the statement of activities is different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is excess of capital outlays over (under) depreciation expense in the current period.	
Depreciation expense	-
Net adjustment	-
Change in net position of governmental activities	$ 28,660

The notes to the financial statement are an integral part of this statement.

PORTNEUF SOIL AND WATER CONSERVATION DISTRICT
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2024

	Custodial Funds
ASSETS	
Current Assets	
Cash	$ 12,968
	12,968
LIABILITIES	
Current Liabilities	-
	-
NET POSITION	12,968
Total Net Position	$ 12,968

PORTNEUF SOIL AND WATER CONSERVATION DISTRICT
STATEMENT OF CHANGES IN NET FIDUCIARY POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Custodial Funds
ADDITIONS	
Special projects	$ 18,191
	18,191
DEDUCTIONS	
Special projects	18,190
	18,190
INCREASE (DECREASE) IN NET POSITION	1
BEGINNING NET POSITION	12,967
ENDING NET POSITION	$ 12,968

PORTNEUF SOIL AND WATER CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Portneuf Soil and Water Conservation District (the District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below:

A. Reporting Entity

The District is a governmental subdivision of the State of Idaho created May 18, 1940. The District was created under the laws of the State of Idaho to provide supervision, assistance and educational programs related to wind and water erosion of the Portneuf area farm, ranch, range, and forest lands. Members of the Board of Supervisors are elected by the public.

The Portneuf Soil and Water Conservation District's Board of Supervisors has control over the operations of the District.

In the evaluation of how to define the District, for the financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made using criteria set forth in the accounting principles generally accepted in the United States of America. All funds and activities of the District are included in the basic financial statements. Using the above criteria, the District has no component units.

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 district. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal balances and transfers. These statements distinguish between the *governmental and business-type* activities of the District. Governmental activities are generally financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. All activities of the District are currently classified as governmental activities.

The statement of activities presents a comparison between direct expenses and direct revenues and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function.

Program revenues include (a) fees, fines, and charges paid by the recipients for goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of the particular program. Revenues that are not classified as programs revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category - *governmental and fiduciary* - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of presentation, Basis of Accounting, continued

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

The District reports the following major governmental funds:

General Fund

The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. Thus, it is always considered a major fund.

The District reports the following fiduciary fund:

The District acts as custodian for Fish and Wildlife program funds through the U.S. Fish and Wildlife Service's (USFWS) program. The funds are not available for the District's operations but held in trust for Fish and Wildlife purposes.

Measurement Focus, Basis of Accounting

Government-wide and Fiduciary Fund Financial Statements: The government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus. The government-wide statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Government Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Property taxes, sales taxes, franchise taxes, licenses, and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures in the governmental funds when paid for. Proceeds from general long-term debt and acquisitions under capital leases are reported as other financing sources.

The District reports grants received in advance on its governmental funds balance sheet. Grants received in advance arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. In subsequent periods, when both revenue criteria are met, the revenue is recognized. Additionally, for both the government-wide and funds financial statements, certain grant revenues are only recognized to the extent they have been used for qualifying expenditure; any excess revenues are thus reported as grants received in advance.

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. All governmental activities of the District follow GASB issued standards.

The District does not maintain an encumbrance system, but in lieu of, exercises control through the administration of the budget process.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of presentation, Basis of Accounting, continued

Net position is the difference between assets and deferred outflows less liabilities and deferred inflows. Net investments in capital assets are capital assets, less accumulated depreciation and any outstanding debt related to the acquisition, construction, or improvement of those assets. Net positions are reported as restricted when there are legal limitations that are imposed on their use by the District, or external restrictions by other governments, creditors or grantors. When expenses are incurred for purposes for which both restricted and unrestricted net position is available, restricted net position is applied first.

C. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles require the District 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 expenditures during the reporting period. Actual results could differ from those estimates.

D. Fund Balance

In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable - Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted - Amounts that can be spent only for specific purposes because of the District Charter, the State Code, state or federal laws, or externally imposed conditions by grantors or creditors.

Committed - Amounts than can be used only for specific purposes determined by a formal action at the highest level of decision-making authority and required formal action at the same level to remove. This is done by a Board of Supervisors resolution approved by the Board of Supervisors. This includes any budget reserve account.

Assigned - Amounts that are designated by the Board of Supervisors for a particular purpose but are not spendable until a budget is passed or there is a majority vote approval (for capital projects or debt service) by the Board of Supervisors.

Unassigned - All amounts not included in other spendable classifications.

When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the District's policy is to first apply the expense toward restricted resources and then toward unrestricted resources. In governmental funds, the District's policy is to first apply the expenditure toward restricted fund balance and then to other, less-restrictive classifications—committed and then assigned fund balances before using unassigned fund balances.

E. Capital Assets and Depreciation

Capital assets purchased or acquired with an original cost of $500 or more are reported at historical costs or estimated historical costs. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expenses as incurred. Depreciation on assets is provided on the straight-line (SL) method over five to ten years.

NOTE 2 - CASH AND INVESTMENTS

Deposits with financial institutions include bank demand deposits as authorized by Idaho statutes. Bank balance for cash and investments for all funds consist of the following at years end:

Cash-demand deposits	$	52,313
Investments-Local Government Investment Pool (LGIP)		83,531
	$	135,844

Custodial credit risk is the risk that, in the event of a bank failure, the district's deposits may not be returned to it. The district does not have a deposit policy for custodial credit risk. As of June 30, 2024, the District's bank balance of $52,313 was fully insured.

Credit Risk: Risk is expressed in terms of the credit quality ratings issued by rating agencies. The investment pool is unrated.

Investments

Idaho statutes authorized districts to invest in obligations of the United States Treasury, agencies and instrumentalities of the United States, repurchase agreements, interest-bearing bonds of any city, county, school district or municipality in Idaho, tax anticipation notes, time deposits accounts in state depositories, accounts in financial institutions, and the State of Idaho's Joint Exercise of Powers Act Investment Pool. The District's investment policy complies with state statutes.

The Joint Exercise of Powers Act Investment Pool is managed by the State of Idaho Treasurer's office. The funds of the pool are invested in certificates of deposit, repurchase agreement, and U.S. government securities. The certificates of deposits are federally insured. The U.S. government securities and the collateral for the repurchase agreement are held in trust by a safekeeping bank. Interest income earned on pooled investments is allocated to the various funds of the District in proportion to each fund's respective investment balances. The Pool is not registered with the Securities and Exchange Commission or any other regulatory body - oversight is with the State Treasurer, and Idaho Code defines allowable investments.

Statement 3 of the Government Accounting Standards Board requires government entities disclose the level of risk assumed on deposit and investment balances.

Statement 40 of the Government Accounting Standards Board requires more comprehensive disclosure requirements addressing other common risks of the deposits and investment of governmental entities. As of June 30, 2024, the District did not hold any investments that require disclosure. The District has chosen to recognize the monies held at the Local Government Investment Pool as cash.

NOTE 3 - CONTINGENT LIABILITIES

Grants

As a recipient of various federal funds, the District is subject to the audit of these programs that could result in disallowance of grant expenditures. The District is unaware of any disallowances and expects such amounts, if any, to be immaterial.

NOTE 3 - CONTINGENT LIABILITIES - continued

Litigation

The District may periodically be the defendant in a lawsuit arising principally in the normal course of operations. In the opinion of the Administration, the outcome of these lawsuits will not have a material adverse effect on the accompanying financial statements and accordingly, no provision for losses has been recorded.

NOTE 4 - CAPITAL ASSETS

	Balance 7/1/2023	Increases	Decreases	Balance 6/30/2024
Governmental Activities:				
Depreciable Assets				
Equipment, Furniture, & Fixtures	$ 1,320	$ -	$ -	$ 1,320
Total Cost	1,320	-	-	1,320
Accumulative Depreciation				
Equipment, Furniture, & Fixtures	(1,320)	-	-	(1,320)
Total	(1,320)	-	-	(1,320)
Net Capital Assets	$ -	$ -	$ -	$ -

Depreciation expense was charged to functions as follows:

General Administration	$ -
Total	$ -

NOTE 5 - PAYROLL RELATED LIABILITIES

The District is behind on paying its payroll tax liabilities. The District has a balance of $10,187 for payroll taxes and related penalties and interest. The District has submitted a letter August 7, 2023, to the Internal Revenue Service requesting waiver of all failure to file, failure to pay, and interest fees regarding all related payroll penalties. The District is waiting for response to this letter.

NOTE 6 - SUBSEQUENT EVENTS

Subsequent events were evaluated up to July 23, 2025, the date the financial statements were available to be issued. See Note 5 for subsequent events subsequent to the fiscal year end through the date the financial statements were issued.

REQUIRED SUPPLEMENTARY INFORMATION

PORTNEUF SOIL AND WATER CONSERVATION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

REVENUES	Budget Amounts Original	Budget Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
City appropriations	$ 5,150	$ 5,150	$ 4,500	$ (650)
County appropriations	15,000	15,000	15,000	-
State of Idaho	48,755	48,755	41,182	(7,573)
Conservation projects	512,638	512,638	338,503	(174,135)
Interest income	-	-	2,952	2,952
Conservation programs	360	360	-	(360)
Other	550	550	-	(550)
Total revenues	582,453	582,453	402,137	(180,316)
EXPENDITURES				
Interagency partnerships	6,875	6,875	4,828	2,047
Administration and financial and equipment	89,907	89,907	55,718	34,189
Conservation education and outreach	10,000	10,000	7,945	2,055
Conservation projects	464,671	464,671	304,671	160,000
Conservation programs	11,000	11,000	315	10,685
Total expenditures	582,453	582,453	373,477	208,976
EXCESS REVENUES (EXPENDITURES)	$ -	$ -	28,660	$ 28,660
BEGINNING FUND BALANCE			102,601	
ENDING FUND BALANCE			$ 131,261	

The notes to the financial statements are an integral part of this statement.

PORTNEUF SOIL AND WATER CONSERVATION DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2024

Budgetary Basis of Accounting

The District's budget is prepared using the modified accrual basis of accounting and are adopted on a basis consistent with generally accepted accounting principles.

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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*

To the Board of Supervisors
Portneuf Soil and Water Conservation District
Pocatello, 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 Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Portneuf 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 Portneuf Soil and Water Conservation District's basic financial statements and have issued our report thereon dated July 23, 2025.

Report on Internal Control Over Financial Reporting

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Portneuf 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.*

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.

Pocatello, Idaho
July 23, 2025