GARDEN VALLEY HOSPITAL TAXING DISTRICT

Report on Audited
Basic
Financial Statements
and
Additional Information

For the Year Ended December 31, 2024

Table of Contents

	Page
Independent Auditor's Report	2
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements:	
Statement of Net Position	4
Statement of Activities	5
Fund Financial Statements:	
Balance Sheet – Governmental Funds	6
Reconciliation of the Balance Sheet of the Governmental Funds to the Statement of Net Position	7
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	8
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of the Governmental Funds to the Statement of Activities	9
Notes to Financial Statements	10
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary Comparison Schedule (GAAP Basis):	
General Fund	15
Notes to Required Supplementary Information	16
INTERNAL CONTROL AND COMPLIANCE REPORT	
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*	17

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Independent Auditor's Report

To the Board of Trustees
Garden Valley Hospital Taxing District

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the fund information of Garden Valley Hospital Taxing District (the District), as of and for the year ended December 31, 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the fund information of Garden Valley Hospital Taxing District, as of December 31, 2024, and the respective changes in financial position 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 the 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 the 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 and 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 the 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 the 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 maters 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 as listed in the table of contents 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.

Management has omitted the 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 1, 2025, on our consideration of Garden Valley Hospital Taxing District's internal control over financial reporting and 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 the 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 the District's internal control over financial reporting and compliance.

Bailey & Co.

Nampa, Idaho
July 1, 2025

Garden Valley Hospital Taxing District
Statement of Net Position
December 31, 2024

	Governmental Activities
Assets	
Cash and Cash Equivalents	$ 271,169
Property Tax Receivable, Net	170,897
Due from Other Governments	3,079
Prepaid Items	2,345
Capital Assets:	
Land	16,000
Buildings and Improvements, Net	165,516
Total Assets	629,006
Liabilities	
Accounts Payable	4,170
Deferred Inflows	
Prepaid Property Taxes	19,428
Unavailable Property Taxes	165,718
Total Deferred Inflows	185,146
Net Position	
Net Investment in Capital Assets	181,516
Restricted	258,174
Total Net Position	$ 439,690

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

Garden Valley Hospital Taxing District
Statement of Activities
For the Year Ended December 31, 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:					
Hospital Support	$ 175,692	$ 0	$ 0	$ 0	$ (175,692)
District Operations/Maintenance	19,463	28,275	5,500	0	14,312
Total Governmental Activities	$ 195,155	$ 28,275	$ 5,500	$ 0	$ (161,380)
General Revenues:					
Property Taxes					177,115
Ag/Personal Property Tax Replacement					1,382
Sales Tax Revenue Sharing					12,097
Investment Earnings					5,742
Total General Revenues					196,336
Special Items:					
Insurance Recovery					39,156
Change in Net Position					74,112
Net Position, Beginning					365,578
Net Position, Ending					$ 439,690

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

Garden Valley Hospital Taxing District
Balance Sheet -
Governmental Funds
December 31, 2024

	General Fund
Assets	
Cash and Cash Equivalents	$ 271,169
Property Tax Receivable, Net	170,897
Due from Other Governments	3,079
Prepaid Items	2,345
Total Assets	447,490
Deferred Outflows	0
Total Assets and Deferred Outflows	$ 447,490
Liabilities	
Accounts Payable	$ 4,170
Deferred Inflows	
Prepaid Property Taxes	19,428
Unavailable Property Taxes	169,972
Total Deferred Inflows	189,400
Fund Balances	
Nonspendable	2,345
Restricted	251,575
Total Fund Balances	253,920
Total Liabilities, Deferred Inflows, and Fund Balances	$ 447,490

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

Garden Valley Hospital Taxing District
Reconciliation of the Balance Sheet of the Governmental Funds
to the Statement of Net Position
December 31, 2024

Total Fund Balances - Governmental Funds		$ 253,920
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. Those assets consist of:		
Land	$ 16,000	
Buildings and Improvements, Net of $170,001 Accumulated Depreciation	165,516	
		181,516
On the modified accrual basis of accounting, property taxes not collected within sixty days of year-end are not considered available to pay for current period expenditures and, therefore, are considered deferred inflows in the fund financial statements. However, on the full accrual basis of accounting, there is no "available" criterion.		4,254
Total Net Position - Governmental Activities		$ 439,690

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

Garden Valley Hospital Taxing District
Statement of Revenues, Expenditures, and
Changes in Fund Balances -
Governmental Funds
For the Year Ended December 31, 2024

	General Fund
Revenues	
Property Taxes	$ 177,305
Intergovernmental Revenues	13,479
Charges for Services	28,275
Investment Earnings	5,742
Contributions	5,500
Total Revenues	230,301
Expenditures	
Current:	
Medical Services and Supplies	165,195
Medical Facilities Maintenance and Operations	10,497
Professional Fees	7,456
Insurance	2,586
General Administration	529
Board Travel	218
Capital Outlay	66,464
Total Expenditures	252,945
Excess (Deficiency) of Revenues Over Expenditures	(22,644)
Other Financing Sources (Uses)	
Insurance Recovery	46,633
Total Other Financing Sources (Uses)	46,633
Net Change in Fund Balances	23,989
Fund Balances - Beginning	229,931
Fund Balances - Ending	$ 253,920

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

Garden Valley Hospital Taxing 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 December 31, 2024

Total Net Change in Fund Balance - Governmental Funds		$ 23,989
Amounts reported for governmental activities in the statement of activities are different because of the following:		
Capital Outlay	$ 66,464	
Disposal of Capital Assets	(7,477)	
Depreciation Expense	(8,674)	
Net		50,313
Because some property taxes will not be collected for several months after the District's fiscal year ends, they are not considered "available" revenues in the governmental funds and are, instead, reported as deferred inflows. They are, however, recorded as revenues in the statement of activities.		(190)
Change in Net Position of Governmental Activities		$ 74,112

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Garden Valley Hospital Taxing District (the District) is organized as a political subdivision of the State of Idaho and was established to furnish general hospital services, and together with such hospital services, nursing home services, or medical clinic services to the general public and all other such services as may be necessary for the care of the injured, maimed, sick, disabled, convalescent or long-term care patients. This is accomplished by levying property taxes and using such taxes for the acquisition, construction, improvement, and maintenance of public hospitals or medical clinics within the District.

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, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. Governmental activities generally are financed through taxes, 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 fund:

- *General fund*. This is the District's only fund. It accounts for all financial resources of the District.

Basis of Accounting

The government-wide 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 giving equal value in return, include property taxes, sales tax, and other state aid. On an accrual basis, revenue from property taxes is considered earned based on the year a levy is intended to finance. Sales tax and other state aid is recognized in the fiscal year in which the funds are collected (which may be different from when the District receives the funds).

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 (except for property taxes intended to finance a future year) reported in the governmental funds to be available if they are collected within sixty days after year-end.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 leases are reported as other financing sources.

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:

- *Nonspendable.* Prepaid items that are permanently precluded from conversion to cash.
- *Restricted.* Balances constrained to a specific purpose by enabling legislation, external parties, or constitutional provisions.

The remaining fund balance classifications (committed, assigned, and unassigned) are not applicable or were not utilized. However, if there had been committed funds, these amounts would have been decided by the Board of Trustees, the District's highest level of decision-making authority, through a formal action. The Board of Trustees would also have the authority to assign funds or authorize another official to do so.

Restricted amounts are to be spent on general operations of the District and the acquisition, construction, improvement, and maintenance of public hospitals or medical clinics within the District, per Title 39, Chapter 13 of Idaho Code.

When program expenses are incurred and there are both restricted and unrestricted resources available to finance the program, it is the District's intent to use restricted resources first, then unrestricted resources as they are needed.

There is also no formal policy regarding the order of use of committed, assigned, or unassigned fund balances. However, it is the District's intent that when an expenditure is incurred for the 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.

Cash Equivalents

All cash and investments with an original maturity date of less than three months are considered to be cash and cash equivalents.

Property Tax Calendar

The District's property taxes are levied on or before the third Monday in September and billed by Boise County to taxpayers in November. The taxes are due in two installments. One half of the property taxes are due on December 20. The remainder is due the following June 20. Real property taxes not paid constitute a lien on the property when entered on the real property assessment role as delinquent on the first day of January of the succeeding year.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital Assets

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

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

	Capitalization Policy	Depreciation Method	Estimated Useful Life
Land	$5,000	N/A	N/A
Buildings and Improvements	$5,000	Straight-Line	15 - 40 Years
Equipment and Furniture	$5,000	Straight-Line	5 - 15 Years

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

Accounts Payable

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

Use of Estimates

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

2. PROPERTY TAXES

The District receives tax revenue from Boise County. The County is responsible for property valuation and collection of tax levies. The taxes that have not been remitted to the District by the County as of December 31 are considered a receivable by the District. Taxes not collected within 60 days after December 31 are not considered available for use by the District and are recorded as deferred inflows in the fund financial statements. Property taxes for the current year levy are considered deferred inflows for both the fund and the government-wide financial statements, as the current year levy is intended to finance the next year.

3. CASH AND INVESTMENTS

Deposits

As of December 31, 2024, the carrying amount of the District's deposits totaled $271,169 and the bank balance totaled $271,180.

3. CASH AND INVESTMENTS (continued)

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned. As of December 31, 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 for deposits.

Investments

The District follows Idaho Statute that outlines qualifying investment options as follows:

> Idaho Code authorizes the District to invest idle funds in investments that carry an A rating or better by a commonly known rating service and that are authorized by the legislature for the state treasurer pursuant to sections 67-1210 and 67-1210A, Idaho Code, which include obligations issued or guaranteed by the United States Treasury, the State of Idaho, local Idaho municipalities and taxing districts, the Farm Credit System, or Idaho public corporations, as well as time deposit accounts and repurchase agreements.

However, as of December 31, 2024, the District held no investments.

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

	Governmental Activities
Cash and cash equivalents	$ 271,169

4. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2024, was as follows:

Governmental Activities:	1/1/2024	Additions	Disposals	12/31/2024
Capital Assets Not Being Depreciated:				
Land	$ 16,000	$ 0	$ 0	$ 16,000
Capital Assets Being Depreciated:				
Buildings and Improvements	284,509	66,464	(15,456)	335,517
Less: Accumulated Depreciation				
Buildings and Improvements	169,306	8,674	(7,979)	170,001
Net Depreciable Assets	115,203	57,790	(7,477)	165,516
Capital Assets - Net	$ 131,203	$ 57,790	$ (7,477)	$ 181,516

4. CAPITAL ASSETS (continued)

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

Governmental Activities:	
District Operations/Maintenance	$ 8,674

The property at 980 Banks Lowman Road and 982 Banks Lowman Road received damage to their roofs due to a hail storm during the year. The District filed a claim with their insurance for the damages. The insurance company paid the District $46,633 for the damage to both properties.

5. RISK MANAGEMENT

The District is exposed to a number of risks of loss including, but not limited to, damage and loss of property and contents, environmental damage, and professional liabilities, i.e. errors and omissions. Insurance has been purchased to transfer some of the risk of loss.

6. LEASES

The District leases certain property under long-term lease agreements. A lease for the property located at 980 Banks Lowman Road began on October 15, 2019 and will continue for five years. The lease expired during the year and was renewed but the term is now just one year. The lease amount was initially $1,000 per month but increased to $1,500 per month effective July 1, 2021 and increased again to $2,000 per month effective May 1, 2024. The building cost is $267,667 and has accumulated $126,372 in depreciation as of December 31, 2024. The District also has other leases but these are short-term arrangements.

Beginning January 1, 2022, the District was required to implement GASB Statement No. 87, *Leases.* This resulted in recognizing a lease receivable and a corresponding deferred inflow for leases where the District is the lessor and the lease terms are in excess of one year. In the current year, revenue from these long-term leases totaled $22,500 and interest revenue total $225. This lease expired in 2024, as described in the previous paragraph.

Lease receivable activity for the year is as follows:

	Incremental Borrowing Rate	Maturity	1/1/2024	Increase	Decrease	12/31/2024	Current Portion
Building	4%	2024	$ 13,275	$ 0	$ (13,275)	$ 0	$ 0

REQUIRED SUPPLEMENTARY INFORMATION

Garden Valley Hospital Taxing District
Budgetary Comparison Schedule (GAAP Basis)
General Fund
For the Year Ended December 31, 2024

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues				
Property Taxes	$ 180,249	$ 180,249	$ 177,305	$ (2,944)
Intergovernmental Revenues	0	0	13,479	13,479
Charges for Services	24,000	24,000	28,275	4,275
Investment Earnings	3,600	3,600	5,742	2,142
Contributions	0	0	5,500	5,500
Total Revenues	207,849	207,849	230,301	22,452
Expenditures				
Current:				
Medical Services and Supplies	176,974	176,974	165,195	11,779
Medical Facilities Maintenance and Operations	17,800	17,800	10,497	7,303
Professional Fees	9,500	9,500	7,456	2,044
Insurance	2,600	2,600	2,586	14
General Administration	975	975	529	446
Board Travel	0	0	218	(218)
Capital Outlay	0	0	66,464	(66,464)
Total Expenditures	207,849	207,849	252,945	(45,096)
Excess (Deficiency) of Revenues Over Expenditures	0	0	(22,644)	(22,644)
Other Financing Sources (Uses)				
Insurance Recovery	0	0	46,633	46,633
Total Other Financing Sources (Uses)	0	0	46,633	46,633
Net Change in Fund Balances	0	0	23,989	23,989
Fund Balances - Beginning	0	0	229,931	229,931
Fund Balances - Ending	$ 0	$ 0	$ 253,920	$ 253,920

1. BUDGETS AND BUDGETARY ACCOUNTING

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

A. Prior to September 1, the Board of Trustees prepare a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.

B. Prior to January 1, the budget is enacted through a board motion and majority board approval.

C. The District is authorized to transfer budgeted amounts between departments within any fund; however, no revision can be made to increase the overall tax supported funds except when other unanticipated revenues are to be received. The District, however, must follow the same budgetary procedures as they followed when the original budget was approved.

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

2. EXPENDITURES IN EXCESS OF APPROPRIATIONS

The District's expenditures exceeded appropriations in the amount of $45,096. However, the District's cash reserves are sufficient to cover the shortfall.

INTERNAL CONTROL AND COMPLIANCE REPORT

Bailey & Company Chtd.
Certified Public Accountants

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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 Trustees
Garden Valley Hospital Taxing District

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 and the fund information of Garden Valley Hospital Taxing District (the District), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated July 1, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing 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 the 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. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 financial statements. 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.

Bailey & Co.

Nampa, Idaho
July 1, 2025