NORTH FREMONT HOSPITAL TAX DISTRICT

BASIC FINANCIAL STATEMENTS

SEPTEMBER 30, 2024

NORTH FREMONT HOSPITAL TAX DISTRICT
BASIC FINANCIAL STATEMENTS
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SEPTEMBER 30, 2024

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Robert D Hardy, CPA, PC
Certified Public Accountant • Business Consultant

INDEPENDENT AUDITORS' REPORT

Board of Directors
North Fremont Hospital Tax District
Ashton, Idaho

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of North Fremont Hospital Tax District (the District), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the 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 the District, as of September 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year 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 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 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:

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- 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 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 matters that we identified during the audit.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require the Schedule of Employer's Share of Net Pension Liability and Schedule of Employer Contributions for the prior ten fiscal years, 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 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 procedure 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 August 21, 2025, on our consideration of the 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 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.

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ROBERT D HARDY, CPA, PC
Idaho Falls, ID
August 21, 2025

NORTH FREMONT HOSPITAL TAX DISTRICT
STATEMENT OF NET POSITION
SEPTEMBER 30, 2024

	Governmental Activities
ASSETS	
Cash and cash equivalents	$ 394,215
Receivables	6,758
Total Assets	$ 400,973
LIABILITIES	
Accounts payable	$ 36,751
Total Liabilities	36,751
NET POSITION	
Unrestricted	364,222
Total Net Position	$ 364,222

The Notes to the Financial Statements are an Integral Part of this Statement

NORTH FREMONT HOSPITAL TAX DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2024

Function / Program	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenues and Changes in Net Position
Governmental Activities:					
General Government	$ 519,567	$ –	$ –	$ –	$ (519,567)
Total Primary Government	$ 519,567	$ –	$ –	$ –	(519,567)

General Revenues	
Property Taxes	451,174
Other Taxes	33,296
Investment Earnings	13,292
Miscellaneous	11,101
Total General Revenues	508,863
Changes in Net Position	(10,704)
Net Position, October 1	374,926
Net Position, September 30	$ 364,222

The Notes to the Financial Statements are an Integral Part of this Statement

NORTH FREMONT HOSPITAL TAX DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024

	General	Total Governmental Funds
Assets		
Cash and cash equivalents	$ 394,215	$ 394,215
Property tax receivable	6,758	6,758
Total Assets	$ 400,973	$ 400,973
Liabilities, Deferred Inflows of Resources, and Fund Balances		
Liabilities:		
Accounts payable	$ 36,751	$ 36,751
Total Liabilities	36,751	36,751
Deferred Inflows of Resources:		
Unearned revenue	3,556	3,556
Fund balances:		
Unassigned	360,666	360,666
Total Fund Balances	360,666	360,666
Total Liabilities and Fund Balances	$ 400,973	$ 400,973
Total governmental fund balances		$ 360,666
Amounts reported for governmental activities in the statement of net position are different because:		
Deferred revenue is not available to pay current period expenditures; therefore, is not reported in the funds.		3,556
Net position of governmental activities		$ 364,222

The Notes to the Financial Statements are an Integral Part of this Statement

NORTH FREMONT HOSPITAL TAX DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	General	Total Governmental Funds
Revenues		
Taxes	$ 453,503	$ 453,503
Intergovernmental	33,296	33,296
Interest	13,292	13,292
Miscellaneous	11,101	11,101
Total Revenues	511,192	511,192
Expenditures		
General government		
Hospital and clinic operations	513,896	513,896
Administration	5,671	5,671
Total Expenditures	519,567	519,567
Excess of revenues over (under) expenditures	(8,375)	(8,375)
Fund Balances, October 1	369,041	369,041
Fund Balances, September 30	$ 360,666	$ 360,666

Amounts reported for governmental activities in the statement of activities are different because:	
Net changes in fund balances-total governmental funds	$ (8,375)
Because some property taxes will not be collected for several months after the District's fiscal year ends, they are not considered as "available" revenues in the governmental funds.	(2,329)
Changes in net position of governmental activities.	$ (10,704)

The Notes to the Financial Statements are an Integral Part of this Statement

NORTH FREMONT HOSPITAL TAX DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes	$ 384,754	$ 453,503	$ 68,749
Intergovernmental	–	33,296	33,296
Other	63,000	24,393	(38,607)
Total Revenues	447,754	511,192	63,438
Expenditures:			
Hospital and clinic operations	444,754	513,896	(69,142)
Other	3,000	5,671	(2,671)
Total Expenditures	447,754	519,567	(71,813)
Excess of revenues over (under) expenditures	–	(8,375)	(8,375)
Fund Balance, October 1	369,041	369,041	–
Fund Balance, September 30	$ 369,041	$ 360,666	$ (8,375)

The Notes to the Financial Statements are an Integral Part of this Statement

NORTH FREMONT HOSPITAL TAX DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of North Fremont Hospital Tax District have been prepared in conformity with the generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies of the District are described below:

Reporting Entity

As required by generally accepted accounting principles, these financial statements present the North Fremont Hospital Tax District. The District is governed by an elected Board of Directors which possesses final decision making authority and is held primarily accountable for those decisions. The Board of Directors is responsible for approving the budget, establishing spending limitations, funding and deficits and borrowing funds and/or issuing bonds to finance construction. There are no other boards, councils, or component units for which the North Fremont Hospital Tax District exercises authority.

Government-Wide Financial Statements

The government-wide financial statements, which are the statement of net position and the statement of activities, report information on all of the nonfiduciary activities of the primary government. Government activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely a significant extent on fees and charges for support.

The statement of net position presents the financial condition of the governmental activities of the District at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements

During the year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. The North Fremont Hospital Tax District has no non-major funds, no fiduciary funds and no enterprise funds.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the propriety fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period of soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers property tax revenues to be available if they are collected within 60 days of the end of the current fiscal period and other revenues if they are collected within 90 days of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debts service expenditures, as well as expenditures related to compensated absences and claims and judgements, are recorded only payment is due.

The government reports the following major governmental fund:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Deposits and Investments

Statutes authorize the District to invest in obligations of the United States, obligations of the State or any taxing district in the State, obligations issued by the Farm Credit System, obligations of public corporations of the State of Idaho, repurchase agreements, tax anticipation notes of the State or any taxing district in the State, time deposits, savings deposits, revenue bonds of institutions of higher education, and the State Treasurer's Pool. Deposits (cash and certificates of deposit) are carried at cost which approximates market value except for outstanding checks which had not cleared the accounts by the end of the year.

Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, the District's deposits may not be returned or the District will not be able to recover collateral securities in the possession of an outside party. The District's funds are invested in cash and or certificates of deposits in institutions covered by the Federal Deposit Insurance Corporation insurance (FDIC). As of September 30, 2024, the District's cash and investments consisted of $394,215 in business checking and certificates of deposits with local banks. Fair market value and cost were the same. Average credit quality ratings and the weighted average days to maturity do not apply to these deposits. Currently, $144,215 of the District's deposits are not covered by the Federal Deposit Insurance Corporation.

Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issue. The District's currently has the majority of its deposits with local banks and, therefore, exceeds the 5 percent of its total assets with a single institution.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The District's deposits within the FDIC limits should not be adversely effected by a change in interest rates because cost and fair market value are the same.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventories

The governmental funds of the District use the purchase method, whereby inventory items are considered expenditures when purchased. They are not included in the financial statements because the amounts outstanding at year end are immaterial.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, lighting systems, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. All material fixed assets are valued at historical cost. Donated fixed assets are valued at their estimated fair value on the date donated. When an asset is disposed of, cost and related accumulated depreciation is removed, and any gain or loss arising from its disposal is credited or charged to operations. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

Depreciation of all exhaustible fixed assets is charged as an expense against operations. Capital assets are reported net of accumulated depreciation on the statement of net position. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Buildings and improvements	30-40 years
Equipment	10-20 years
Furniture and fixtures	10-20 years

The District has no capital assets and, therefore, the financial statements do not reflect an expense for depreciation.

Short-term Liabilities

The District has no unused lines of credit or pledged assets at year end.

Long-term Liabilities

The District has no long-term liabilities.

Budgets and Budgetary Accounting

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

1. Prior to certifying the tax levy to the county commissioners, and prior to passing the annual appropriation ordinance, a public meeting shall be held to adopt a budget by a favorable vote of the majority of members of the board.

2. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principals. Uncommitted appropriations lapse at every year end.

Restricted Assets

Cash and investments, the use of which is restricted for the repair of facilities, payment of debt service, and other items specified by the bondholders are classified as restricted assets. The District has no outstanding bonds or restricted cash.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the District.

Compensated Absences

The District has no formal vacation or sick leave policy for its employees whereby they would be paid upon terminating employment. Accordingly, no liability for such future compensated absences has been accrued in these financial statements.

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 disclosures 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.

Governmental Fund Balances

The District has implemented GASB No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, for the fiscal year ended September 30, 2024. In the fund financial statements, governmental funds report the following classifications of fund balance:

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

Restricted – Amounts with constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments; or through constitutional provisions or enabling legislation.

Committed – Amounts that can only be used for specific purposes pursuant to constraints imposed by the District's Board through an ordinance or resolution. The District had no committed fund balances on September 30, 2024.

Assigned – Amounts that are constrained by an intent to be used for specific purposes but are neither restricted nor committed.

Unassigned – All amounts not included in other spendable classifications.

2. PROPERTY TAXES

Property taxes are levied by the 2nd Monday in September, in conformity with Title 31, Section 1605, of the Idaho State Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before December 20 and June 20 of the year following the year in which imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed.

3. RISK MANAGEMENT/INSURANCE COVERAGE

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has transferred most if its risks by purchasing commercial insurance. Workman's Compensation is purchased through the Idaho State Insurance Fund.

All other insurance has been purchased through the Idaho Counties Risk Management Program. The current year policy expires October 1, 2024 and has been renewed to October 1, 2025. The policy coverage's include: All risks of physical loss or damage, automobile physical damage, comprehensive general liability, premises medical payments, law enforcement liability, automobile liability, errors or omissions liability, employee dishonesty, money & securities, and depositors forgery.

4. RETIREMENT PLANS

The District has no formal retirement plans

5. SUBSEQUENT EVENTS

The District has evaluated subsequent events through August 21, 2025, the date the financial statements were available to be issued. No significant events have been identified that would require adjustment of or disclosure in the accompanying financial statements.

6. OTHER REQUIRED DISCLOSURES

The District had no related party transactions during the year. The District is not obligated for any special assessment debt.

Robert D Hardy, CPA, PC
Certified Public Accountant • Business Consultant

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the District Board
North Fremont Hospital Tax District
Ashton, Idaho

We have audited, 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of North Fremont Hospital Tax District, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the North Fremont Hospital Tax District's basic financial statements and have issued our report thereon dated August 21, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the North Fremont Hospital Tax District, Idaho's internal control over financial reporting (internal control) as a basis for deigning 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 North Fremont Hospital Tax District's internal control. Accordingly, we do not express an opinion on the effectiveness of the North Fremont Hospital Tax 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 sever 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as item 2024-1 that we consider to be a significant deficiency.

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

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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 *Governmental Auditing Standards.*

The North Fremont Hospital Tax District's Response to Findings

Government Auditing Standards require the auditor to perform limited procedures on the North Fremont Hospital Tax District's response to the finding identified in our audit and described in the accompanying schedule of findings and responses. The North Fremont Hospital Tax District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

Idaho Falls, Idaho
August 21, 2025

NORTH FREMONT HOSPITAL TAX DISTRICT
Schedule of Findings and Responses
For the Year Ended September 30, 2024

Finding 2024-1: Lack of segregation of duties

Condition: The District lacks a segregation of duties over accounting functions, including stewardship of cash and cash equivalents.

Criteria: Inherent in an adequate internal control structure is a segregation of duties governing the overall administration and stewardship of assets.

Effect: A lack of segregation of duties increases the risk that loss of assets would not be prevented or detected in a timely manner and in the normal course of operations.

Recommendation: The District should add additional personnel to it's staff to assist in the accounting and stewardship of assets.

Response: The District management believes that the cost to hire additional personnel is substantially more than the potential benefit derived or the risk of fraud. As such, District management has put into place mitigating controls such as dual signatures on checks, monthly review of all disbursements by the board, and monthly review of financial reports prepared by the treasurer to minimize the District's risk of fraud and malfeasance.