LEWISTON-NEZ PERCE COUNTY
REGIONAL AIRPORT AUTHORITY

FINANCIAL STATEMENTS

Year Ended September 30, 2024

LEWISTON-NEZ PERCE COUNTY REGIONAL AIRPORT AUTHORITY

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PRESNELL GAGE, PLLC
ACCOUNTING AND CONSULTING

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Lewiston-Nez Perce County Regional Airport Authority
Lewiston, Idaho

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements, including PFC quarterly reports, of the governmental activities and each major fund of the Lewiston-Nez Perce County Regional Airport Authority, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority'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 each major fund of the Lewiston-Nez Perce County Regional Airport Authority, as of September 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 Lewiston-Nez Perce County Regional Airport Authority, 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 these 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.

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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 Lewiston-Nez Perce County Regional Airport Authority'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 the Lewiston-Nez Perce County Regional Airport Authority'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 Lewiston-Nez Perce County Regional Airport Authority'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 schedule of pension funding and budgetary comparison information on pages 26 and 27, respectively, be presented to supplement the basic financial statements. Such 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.

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 (MD&A) 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Lewiston-Nez Perce County Regional Airport Authority's basic financial statements. The budgetary comparison schedules, schedule of passenger facility charges collected and applied, and schedule of expenditures of federal awards, as required by Title 2 *U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison schedules, schedule of passenger facility charges collected and applied, and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 21, 2025, on our consideration of the Lewiston-Nez Perce County Regional Airport Authority'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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.



May 21, 2025
Lewiston, Idaho

LEWISTON-NEZ PERCE COUNTY REGIONAL AIRPORT AUTHORITY

STATEMENT OF NET POSITION
September 30, 2024

	Governmental Activities
ASSETS	
Current assets	
Cash	$ 1,498,585
Restricted cash	491,609
Receivables, net	413,729
Lease receivable, current portion	520,696
Prepaid expenses	37,279
Total current assets	2,961,898
Noncurrent assets	
Capital assets, net of accumulated depreciation	302,021
Lease receivable, net of current portion	2,771,532
Total noncurrent assets	3,073,553
Total assets	6,035,451
DEFERRED OUTFLOWS OF RESOURCES	
Defined benefit pension	182,234
LIABILITIES	
Current liabilities	
Accounts payable	90,870
Accrued payroll and benefits	45,279
Accrued compensated absences	37,642
Unearned revenue	94,478
Total current liabilities	268,269
Noncurrent liabilities	
Net pension liability	533,415
Total noncurrent liabilities	533,415
Total liabilities	801,684
DEFERRED INFLOWS OF RESOURCES	
Leases	3,292,228
Defined benefit pension	46,667
Total deferred inflows of resources	3,338,895
NET POSITION	
Restricted for capital improvements	1,000,282
Unrestricted	1,076,824
Total net position	$ 2,077,106

See accompanying notes

LEWISTON-NEZ PERCE COUNTY REGIONAL AIRPORT AUTHORITY

STATEMENT OF ACTIVITIES
Year Ended September 30, 2024

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Governmental activities:					
Airport operations	$ 1,622,191	$ 1,045,587	$ 1,283,991		$ 707,387
Airport improvements	2,411,730			$ 3,391,228	979,498
PERSI retirement actuarial charges	87,088				(87,088)
Total governmental activities	$ 4,121,009	$ 1,045,587	$ 1,283,991	$ 3,391,228	1,599,797
General revenues:					
Investment income					10,443
Other revenues					151,249
Total general revenues					161,692
Change in net position					1,761,489
Net position, beginning of year					315,617
Net position, ending of year					$ 2,077,106

See accompanying notes

LEWISTON-NEZ PERCE COUNTY REGIONAL AIRPORT AUTHORITY

BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2024

	General	Capital Projects	Total Governmental Funds
ASSETS			
Cash	$ 1,498,585		$ 1,498,585
Receivables, net	36,243	$ 377,486	413,729
Prepaid expenses	37,279		37,279
Lease receivable	3,292,228		3,292,228
Cash and cash equivalents - restricted		491,609	491,609
Total assets	$ 4,864,335	$ 869,095	$ 5,733,430
LIABILITIES			
Accounts payable	$ 58,159	$ 32,711	$ 90,870
Accrued payroll and benefits	45,279		45,279
Unearned revenues	94,478		94,478
Total liabilities	197,916	32,711	230,627
DEFERRED INFLOWS OF RESOURCES			
Leases	3,292,228		3,292,228
Total deferred inflows of resources	3,292,228	0	3,292,228
FUND BALANCES			
Nonspendable			
Prepaid expenses	37,279		37,279
Restricted for capital improvements		836,384	836,384
Unassigned	1,336,912		1,336,912
Total fund balances	1,374,191	836,384	2,210,575
Total liabilities and fund balances	$ 4,864,335	$ 869,095	$ 5,733,430

See accompanying notes

LEWISTON-NEZ PERCE COUNTY REGIONAL AIRPORT AUTHORITY

RECONCILIATION OF THE STATEMENT OF NET POSITION
TO THE BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2024

Total fund balances - Governmental Funds	$	2,210,575
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds:		
Cost of capital assets		340,403
Accumulated depreciation		(38,382)
Deferred outflows and deferred inflows for pension liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Deferred outflows		182,234
Deferred inflows		(46,667)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Compensated absences		(37,642)
Net pension liability		(533,415)
Total net position - Governmental Activities	$	2,077,106

See accompanying notes

LEWISTON-NEZ PERCE COUNTY REGIONAL AIRPORT AUTHORITY

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended September 30, 2024

	General	Capital Projects	Total Governmental Funds
REVENUES			
Airport operations	$ 530,829		$ 530,829
Property lease/rental operations	514,758		514,758
Intergovernmental revenues	702,230	$ 421,042	1,123,272
Passenger facility charges		223,993	223,993
Federal Aviation Administration grants		2,746,193	2,746,193
Grant revenues	581,761		581,761
Investment income	9,674	769	10,443
Other income	1,249		1,249
Total revenues	2,340,501	3,391,997	5,732,498
EXPENDITURES			
Personnel services	924,223		924,223
Supplies and materials	163,181		163,181
Services and charges	504,737		504,737
Airport improvements		2,555,613	2,555,613
Total expenditures	1,592,141	2,555,613	4,147,754
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	748,360	836,384	1,584,744
NET CHANGES IN FUND BALANCES	748,360	836,384	1,584,744
FUND BALANCES AT BEGINNING OF YEAR	625,831		625,831
FUND BALANCES AT END OF YEAR	$ 1,374,191	$ 836,384	$ 2,210,575

See accompanying notes

LEWISTON-NEZ PERCE COUNTY REGIONAL AIRPORT AUTHORITY

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended September 30, 2024

Net changes in fund balances - Total Governmental Funds	$	1,584,744
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays to purchase or build capital assets are reported in governmental funds expenditures. However, for governmental activities, those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation:		
Current year capital outlay		152,010
Current year depreciation		(31,467)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This represents the value of donated equipment		150,000
Net pension asset and the related deferred outflows and deferred inflows are not considered available for the governmental funds in the current year.		
Current year net pension liability, deferred outflows, and deferred inflows		(87,088)
Amounts borrowed on long-term debt are reported in the governmental funds as other financing sources. Amounts repaid on long-term debt are reported in the governmental funds as expenditures. However, for governmental activities, the borrowing and repayment of funds is reflected as outstanding long-term debt:		
Change in compensated absences		(6,710)
Change in net position - Governmental Activities	$	1,761,489

See accompanying notes

1. SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity. The Lewiston-Nez Perce County Regional Airport Authority ("the Authority") manages a regional airport located in Lewiston, Idaho. The authority was formed in October 2010 when the Lewiston City Council and the Nez Perce County Commissioners jointly approved the formation of a separate Joint Airport Authority, under a Joint Powers Agreement. The purpose of the agreement was to create an Authority that would manage airport property and the daily operations of the airport in the City of Lewiston ("the City") in Nez Perce County, Idaho ("the County"), and implement the Airport Master Plan, a long-range planning document. The City and County have the right to terminate the agreement at any time, by mutual written agreement between the City and the County, after giving sufficient notice. The Authority is governed by a Board of Commissioners consisting of five members, two of which were originally appointed by the City, two of which were originally appointed by the County, and one member that was appointed by a majority of the original four members.

The non-capital assets and liabilities, plus the operation of the airport, were turned over to the Authority effective October 1, 2010. Any excess of expenditures, including capital improvements, over revenues is funded equally between the City and the County. The Authority leases all of its real property from the City and the County for the use and benefit of the Authority, with title remaining with the City and County. Lease payments are not to exceed $10 per year.

The Authority uses the real and personal property to generate revenue in the form of landing and parking fees, hangar and facilities rents, and concession and franchise revenues. The Authority is also approved by the Federal Aviation Administration (FAA) to impose and use passenger facility charges (PFC's) for certain approved airport improvement projects, in accordance with Section 158.37 of the *FAA Regulations* (14 CFR 158).

The Authority has developed criteria to determine whether outside agencies with activities, which benefit the citizens of the Authority, should be included within its financial reporting entity. The criteria include, but are not limited to, whether the Authority (1) selects the governing authority or management, (2) has the ability to significantly influence operations, or (3) has accountability for fiscal matters (e.g., final budget approval of assets, etc.). The Authority has determined that no other outside agency meets the above criteria and, therefore, no other agency has been included as a component unit in the Authority's financial statements. In addition, the Authority is not aware of any entity that would exercise such oversight, which would result in the Authority being considered a component unit of that entity.

Measurement Focus and Basis of Accounting. The accounting policies of Lewiston-Nez Perce County Regional Airport Authority conform to United States generally accepted accounting principles 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 Authority uses the following two bases of accounting in these financial statements:

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting (Continued).

Economic Resources Measurement Focus and Accrual Basis of Accounting. Under this measurement focus, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the Authority gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants, and other revenues. On an accrual basis, revenue from grants, and other revenue is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Current Financial Resources Measurement Focus and Modified Accrual Basis of Accounting. Under this measurement focus, revenues are recognized when susceptible to accrual; i.e., both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. A 60-day availability period is used for revenue recognition for all governmental fund revenues.

The Authority reports deferred revenue in its fund financial statements. Deferred revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the Authority before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Authority has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

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 to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Restricted Resources. Program expenses are allocated to restricted program revenue first and then to the next highest level of restricted net position/fund balances when both restricted and unrestricted resources are available.

Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting* and *Governmental Fund Type Definitions* (GASB 54) define the different types of fund balances that a governmental entity must use for financial reporting purposes.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted Resources (Continued).

GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories listed below:

Nonspendable. Includes amounts that cannot be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact.

Restricted. Includes amounts that can be spent only for the specific purpose stipulated by external resource providers, constitutional provisions, or enabling legislation.

Committed. Includes amounts that can only be used for the specific purposes determined by a formal action of the government's highest level of decision-making authority.

Assigned. Includes amounts that are intended to be used by the government for specific purposes, but do not meet the criteria to be classified as restricted or committed.

Unassigned. Residual classification of fund balance that includes all spendable amounts that have not been restricted, committed, or assigned.

Government-Wide Financial Statements. The statement of net position and the statement of activities display information about the overall Authority. Eliminations have been made to minimize the double counting of internal activities. These statements reflect only governmental activities of the Authority since there are no "business-type activities" within the Authority. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. The government-wide statements are reported using the economic resources measurement focus and the accrual basis of accounting.

The statement of activities presents a comparison between direct expenses and program revenues for the different functions of the Authority's governmental activities. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. 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 and 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, are presented as general revenues.

Program Revenue. The statement of activities reflects all restricted federal and state grants as program revenue, as well as all charges to tenants for rent and other activities. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Non-exchange transactions, in which the Authority gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants and donations.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements. The fund financial statements provide information about the Authority's fund categories. Separate statements for each fund category - governmental, proprietary, and fiduciary - are presented. The emphasis of fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. All remaining funds are aggregated and reported as non-major funds. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

Governmental Funds. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. The Authority reports the following major governmental funds:

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

- Capital Projects Fund. This is used to account for the financial resources accumulated and payments made for the improvement of runways, construction and remodel of facilities and procurement of equipment.

Basis of Presentation.

Deposits and Investments. The Authority's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Restricted cash and cash equivalents consist of amounts required to be segregated pursuant to the terms governing passenger facility charges received during the fiscal year but not spent for the purpose of capital improvements, and are presented as restricted in the statement of net position.

Prepaid Supplies. The Authority does not capitalize its supplies inventory at year-end. All supplies are recorded as expenditures in the period in which they were purchased.

Budgets. Annual non-appropriated budgets are adopted for all governmental and proprietary funds. Expenditures may not exceed the budget at the individual fund level.

Use of Estimates. Management of the Authority uses estimates and assumptions in preparing financial statements in accordance with United States generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenditures. Actual results could vary from the estimates that management uses.

Pensions. For purposes of measuring the net pension asset and pension expense, information about the fiduciary net position of the Public Employee Retirement System of Idaho Base Plan (Base Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Base Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued).

Capital Assets. Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., runways and taxiways) are reported in the government-wide financial statements. Capital assets are defined by the Authority as assets with an initial individual cost of more than $5,000 and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add value or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

Asset Type	Years
Machinery and equipment	7 to 10
Improvements	40

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 as an extension of formal budgetary integration in the governmental funds. Encumbrances are included in the following year's budgeted expenditures.

Compensated Absences. Authority employees are granted vacation and sick leave days in varying amounts under the terms of Authority policy. Employees are not compensated for unused sick leave.

Deferred Outflows/Inflows of Resources. In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Authority only has one item that qualifies for reporting as deferred outflows of resources in the current year. It is the deferred outflows relating to the accounting for the net pension obligation on the government-wide statement of net position, in accordance with GASB 68, *Accounting and Financial Reporting for Pensions*.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued).

Deferred Outflows/Inflows of Resources (Continued). The Authority has one type of item, which arises under full accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, proportionate share of collective deferred inflows of resources, is reported only on the government-wide statement of net position. The government-wide statement of net position reports proportionate share of collective deferred inflows of resources from one source: accounting for the net pension obligation, in accordance with GASB 68, *Accounting and Financial Reporting for Pensions*.

Leases as a Lessor. As a lessor, the Authority has entered into agreements involving commercial property. The Authority recognizes a lease receivable and a deferred inflow of resources at the commencement of the lease term. The lease receivable is measured at the present value of the lease payments expected to be received during the lease term. The deferred inflow of resources is measured at the value of the lease receivable in addition to any payments received at or before the commencement of the lease term that relate to future periods.

2. LEGAL COMPLIANCE – BUDGETS

The Board of Commissioners follows these procedures in establishing the budgetary data reflected in the financial statements:

1. At least 14 days prior to the public hearing, the Authority publishes a proposed budget for public review.

2. A public hearing is set to obtain taxpayers' comments.

3. The final budget is adopted by resolution of the Board at the regular August meeting of the Board of Commissioners.

4. During the fiscal year, a revised budget can be prepared and adopted to reflect more accurate revenue and expenditure projections. The Board must hold public hearings and publish the proposed budget prior to adoption.

Expenditures may not exceed the budget at the individual fund level.

3. DEPOSITS AND CASH EQUIVALENTS

Deposits. At September 30, 2024, the carrying amount of the Authority's deposits was $1,990,194. Of the bank balance, $1,527,365 was not covered by insurance or not collateralized.

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will reduce the value of the Authority's investments. The Authority does not have a policy regarding interest rate risk.

Custodial Risk. Custodial risk is the risk that, in the event of the failure of the investment custodian, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of the custodian.

Credit Risk. Credit risk is the risk that a borrower will fail to repay principal and interest in a timely manner. The Authority maintains its cash in bank deposit accounts at high quality financial institutions. At times, deposit account balances may exceed federally insured limits. The Authority has not experienced any losses from such accounts and management believes it is not exposed to any significant credit risk on cash and cash equivalents.

Concentration of Credit Risk. The Authority has no policy on the amount they may invest in any one issuer.

4. ACCOUNTS RECEIVABLE

Receivables consist of $556,939 due to the Authority for rental services, fuel taxes, and advertising services provided, which are expected to be collected in the next 12 months. Additionally, $377,486 is due from the FAA to the Capital Projects Fund for reimbursement of grant-related expenditures that had not been received as of September 30, 2024.

5. CAPITAL ASSETS

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

	Beginning Balance	Additions	Deletions	Ending Balance
Depreciable assets				
Equipment	$ 38,393	$ 173,225		$ 211,618
Improvements		128,785		128,785
	$ 38,393	$ 302,010	$ 0	340,403
Accumulated depreciation				
Equipment	$ 6,915	$ 28,165		35,080
Improvements		3,302		3,302
	$ 6,915	$ 31,467	$ 0	38,382
				$ 302,021

Depreciation expense includes $23,340 allocated to Airport operations and $8,127 to Airport improvements.

6. ECONOMIC DEPENDENCY

The Authority has received a portion of its funding from the City of Lewiston and Nez Perce County. In creating the Authority, the City and the County agreed to provide financial support for an unspecified period of time until the Authority is able to function without their financial support. The amounts contributed by the City and the County, which are shared equally by both organizations, are not predetermined, but are sufficient to fully cover the costs incurred by the Authority.

On a combined basis, the City and the County contributed $1,123,272, $0, and $0, during 2024, 2023, and 2022, respectively, for both operating and capital purposes.

7. PENSION PLAN

Plan Description. The Authority contributes to the Base Plan, which is a cost-sharing, multiple-employer, defined benefit pension plan administered by the Public Employee Retirement System of Idaho (PERSI) that covers substantially all employees of the State of Idaho, its agencies, and various participating political subdivisions. The cost to administer the Plan is financed through the contributions and investment earnings of the Plan.

PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at www.persi.idaho.gov.

Responsibility for administration of the Base Plan is assigned to the Board comprised of five members appointed by the Governor and confirmed by the Idaho Senate. State law requires that two members of the Board be active Base Plan members with at least ten years of service and three members who are Idaho citizens not members of the Base Plan except by reason of having served on the Board.

Pension Benefits. The Base Plan provides for retirement, disability, death, and survivor benefits of eligible members or beneficiaries. Benefits are based upon members' years of service, age, and highest average salary. Members become fully vested in their retirement benefits with 5 years of credited service (5 months for elected or appointed officials). Members are eligible for retirement benefits upon attainment of the ages specified for their employment classifications. The annual service retirement allowance for each month of credited service is 2.0 percent (2.3 percent for police/firefighters) of the average monthly salary for the highest consecutive 42 months.

The benefit payments for the Base Plan are calculated using a benefit formula adopted by the Idaho Legislature. The Base Plan is required to provide a 1 percent minimum cost of living increase per year provided the *Consumer Price Index* increases 1 percent or more. The PERSI Board has the authority to provide higher cost of living increases to a maximum of the *Consumer Price Index* movement or 6 percent, whichever is less; however, any amount above the 1 percent minimum is subject to review by the Idaho Legislature.

7. PENSION PLAN (CONTINUED)

Member and Employer Contributions. Member and employer contributions paid to the Base Plan are set by statute and are established as a percent of covered compensation. Contribution rates are determined by the PERSI Board within limitations, as defined by state law. The Board may make periodic changes to employer and employee contribution rates (expressed as percentages of annual covered payroll) that are adequate to accumulate sufficient assets to pay benefits when due.

The contribution rates for employees are set by statute at 60 percent of the employer rate for general employees. At June 30, 2024, it was 7.18 percent for general employees. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.96 percent for general employees.

Pension Liabilities, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At September 30, 2024, the Authority reported a liability of $533,415 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability was based on the Authority's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2024, the Authority's proportion was .0161228 percent.

For the year ended September 30, 2024, the Authority recognized a net pension expense of $87,088. At September 30, 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Employer contributions made subsequent to the measurement date	$ 20,000	
Differences between expected and actual experience	$ 84,925	
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	$ 56,178	$ 36,985
Changes in assumptions or other inputs	$ 21,131	
Net difference between projected and actual earnings on pension plan investments		$ 9,682

Contributions made subsequent to the measurement date in the table above, will be recognized as a decrease of the net pension liability in the subsequent fiscal year.

7. PENSION PLAN (CONTINUED)

Pension Liabilities, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued). The average of the expected remaining service lives of all employees that are provided with pensions through the system (active and inactive employees) determined at July 1, 2024, the beginning of the measurement period ended June 30, 2023 is 4.4 and 4.4 for the measurement period June 30, 2024.

The employer contribution will be recognized in pension expense in the following fiscal year. The projected amount to be included in pension expense (benefit) is as follows:

2025	$	33,090
2026		83,821
2027		17,081
2028		(18,425)

Actuarial Assumptions. Valuations are based upon actuarial assumptions, the benefit formulas, and employee groups. Level percentages of payroll normal costs are determined using the Entry Age Normal Cost Method. Under the Entry Age Normal Cost Method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated as a level percentage of each year's earnings of the individual between entry age and assumed exit age. The Base Plan amortizes any unfunded actuarial accrued liability based on a level percentage of payroll. The maximum amortization period permitted under Section 59-1322, *Idaho Code*, is 25 years.

The total pension asset in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.30%
Salary increases including inflation	3.05%
Investment rate of return	6.35%, net of pension plan investment expense
Cost of Living Adjustments (COLA)	1.00%

Several different sets of mortality rates are used in the valuation for contributing members, service retirement members, and beneficiaries. These rates were adopted for the valuation dated July 1, 2024.

Contributing Members, Service Retirement Members, and Beneficiaries

General Employees and All Beneficiaries – Male	Pub-2010 General Tables, increased 11%
General Employees and All Beneficiaries – Female	Pub-2010 General Tables, increased 21%
Teachers – Male	Pub-2010 Teacher Tables, increased 12%
Teachers – Female	Pub-2010 Teacher Tables, increased 21%
Fire & Police – Male	Pub-2010 Safety Tables, increased 21%
Fire & Police – Female	Pub-2010 Safety Tables, increased 26%
Disabled Members – Male	Pub-2010 Disabled Tables, increased 38%
Disabled Members – Female	Pub-2010 Disabled Tables, increased 36%

7. PENSION PLAN (CONTINUED)

Actuarial Assumptions.

Contributing Members, Service Retirement Members, and Beneficiaries (Continued)

An experience study was performed for the period July 1, 2015 through June 30, 2020, which reviewed all economic and demographic assumptions other than mortality. The Total Pension Liability as of June 30, 2024, is based on the results of an actuarial valuation date of July 1, 2024.

The long-term expected rate of return on pension plan investments was determined using the building block approach and a forward-looking model in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Even though history provides a valuable perspective for setting the investment return assumption, the System relies primarily on an approach which builds upon the latest capital market assumptions. Specifically, the System uses consultants, investment managers, and trustees to develop capital market assumptions in analyzing the System's asset allocation. The assumptions and the System's formal policy for asset allocation are shown below. The formal asset allocation policy is somewhat more conservative than the current allocation of the System's assets.

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation.

CAPITAL MARKET ASSUMPTIONS

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Cash	0%	0.00%
Large Cap	18%	4.50%
Small/Mid Cap	11%	4.70%
International Equity	15%	4.50%
Emerging Markets Equity	10%	4.90%
Domestic Fixed	20%	(0.25%)
TIPS	10%	(0.30%)
Real Estate	8%	3.75%
Private Equity	8%	6.00%

7. PENSION PLAN (CONTINUED)

Discount Rate. The discount rate used to measure the total pension asset was 6.35 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate. Based on these assumptions, the pension plan's net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return was determined net of pension plan investment expense but without reduction for pension plan administrative expense.

Sensitivity of the Authority's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the Authority's proportionate share of the net pension liability calculated using the discount rate of 6.35 percent, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.35 percent) or 1-percentage-point higher (7.35 percent) than the current rate:

	1% Decrease (5.35%)	Current Discount Rate (6.35%)	1% Increase (7.35%)
Authority's proportionate share of the net pension liability (asset)	$ 1,013,654	$ 533,415	$ 141,182

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the separately issued PERSI financial report. PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at www.persi.idaho.gov.

8. LEASE RECEIVABLE

The Authority is the lessor of a number of leases of real estate within the boundary of the Authority. The minimum future lease revenue for years ending September 30 is as follows:

2025	$ 520,696
2026	425,671
2027	391,301
2028	339,368
2029	336,453
2030-2034	875,043
2035-2039	212,405
2040-2043	191,291
	$ 3,292,228

9. RISK MANAGEMENT

The Authority purchases commercial insurance to cover the risks of property loss and legal liability. A general summary of the insurance coverage in effect at September 30, 2024, is as follows:

- Property – Insured value of physical loss or damage. Replacement cost coverage with a $500 deductible.
- Employee Dishonesty - $500,000 limit per occurrence.
- General liability - $500,000 limit per occurrence.
- Automobiles - $500,000 limit per occurrence.

10. FUND BALANCE RESERVES AND DESIGNATIONS

Restricted Net Position. Certain proceeds and resources are set aside and classified as restricted assets on the statement of net position because their use is limited by an FAA agreement. The Authority receives cash from Passenger Facility Charges that is to be used for capital projects at the airport. In compliance with the FAA agreement, these resources are restricted to cover the costs of capital projects to the airport.

11. CONTINGENT LIABILITIES

The Authority participates in a number of federally assisted grant programs. These programs can be subject to financial and compliance audits by the grantors. The amount, if any, of expenditures, which may be disallowed by the granting agencies, cannot be determined at this time, although the Authority expects such amounts, if any, to be immaterial.

REQUIRED SUPPLEMENTARY INFORMATION

Lewiston-Nez Perce County Regional Airport Authority

SCHEDULE OF PENSION FUNDING

SCHEDULE OF THE AUTHORITY'S SHARE OF NET PENSION ASSET AND LIABILITY - PERSI BASE PLAN
Data reported is measured as of June 30, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Employer's portion of the net pension (asset) liability	0.0014260%	0.0161228%	0.0126839%	0.0117538%	0.0098603%	0.0078390%	0.0091370%	0.0072195%	0.0081649%	0.0081241%
Employer's proportionate share of the net pension (asset) liability	$ 533,415	$ 643,408	$ 499,590	$ (9,283)	$ 229,000	$ 89,000	$ 135,000	$ 113,000	$ 166,000	$ 106,981
Employer's covered payroll	698,828	685,528	500,184	438,635	351,114	266,246	293,966	224,231	238,799	227,553
Employer's proportionate share of the net pension (asset) liability as a percentage of its covered payroll	76%	94%	100%	-2%	65%	33%	46%	50%	70%	47%
Plan fiduciary net position as a percentage of the total pension liability	86%	84%	83%	100%	88%	94%	92%	91%	87%	91%

SCHEDULE OF THE AUTHORITY'S CONTRIBUTIONS TO PENSION PLANS - PERSI BASE PLAN
Data reported is measured as of September 30, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	$ 79,245	$ 81,389	$ 67,721	$ 52,720	$ 49,512	$ 30,461	$ 33,989	$ 26,024	$ 28,357	$ 25,045
Contributions in relation to the statutorily required contribution	79,245	81,389	67,721	52,720	49,512	30,461	33,989	26,024	28,357	25,045
Contribution (deficiency) excess	0	0	0	0	0	0	0	0	0	0
Employer's covered payroll	698,940	691,024	567,178	441,541	414,677	265,070	300,300	229,900	250,500	221,200
Contributions as a percentage of covered payroll	11.34%	11.78%	11.94%	11.94%	11.94%	11.49%	11.32%	11.32%	11.32%	11.32%

LEWISTON-NEZ PERCE COUNTY REGIONAL AIRPORT AUTHORITY

BUDGETARY COMPARISON SCHEDULE -
GENERAL FUND
Year Ended September 30, 2024

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget
	Original	Final		
REVENUES				
Airport operations	$ 417,200	$ 417,200	$ 530,829	$ 113,629
Property lease/rental operations	590,425	590,425	514,758	(75,667)
Intergovernmental revenue	702,230	702,230	702,230	
Grant revenues			581,761	581,761
Investment income	300	300	9,674	9,374
Other revenues			1,249	1,249
Total revenues	1,710,155	1,710,155	2,340,501	630,346
EXPENDITURES				
Personnel services	1,021,155	1,021,155	924,223	96,932
Supplies and materials	185,800	185,800	163,181	22,619
Services and charges	503,200	503,200	504,737	(1,537)
Total expenditures	1,710,155	1,710,155	1,592,141	118,014
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	0	0	748,360	748,360
NET CHANGE IN FUND BALANCE	0	0	748,360	748,360
FUND BALANCE AT BEGINNING OF YEAR			625,831	625,831
FUND BALANCE AT END OF YEAR	$ 0	$ 0	$ 1,374,191	$ 1,374,191

Note: The budgetary comparison schedule is presented on the modified accrual basis of accounting, which is the same basis of accounting used by the Authority in the fund financial statements.

SUPPLEMENTARY INFORMATION

INDEPENDENT AUDITOR'S REPORT - *GOVERNMENT AUDITING STANDARDS*

Board of Commissioners
Lewiston-Nez Perce County Regional Airport Authority
Lewiston, 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 and each major fund of the Lewiston-Nez Perce County Regional Airport Authority, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated May 21, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Lewiston-Nez Perce County Regional Airport Authority'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 Lewiston-Nez Perce County Regional Airport Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Lewiston-Nez Perce County Regional Airport Authority'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 and, therefore, material weaknesses or significant deficiencies may exist that were not identified. 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. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs (#2024-001) that we consider to be a significant deficiency.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Lewiston-Nez Perce County Regional Airport Authority's financial statements are free of material misstatement, we performed tests of 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 the 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.*

Lewiston-Nez Perce County Regional Airport Authority's Response to Findings

Government Auditing Standards require the auditor to perform limited procedures on the Lewiston-Nez Perce County Regional Airport Authority's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Lewiston-Nez Perce County Regional Airport Authority'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.



May 21, 2025
Lewiston, Idaho

INDEPENDENT AUDITOR'S REPORT – *UNIFORM GUIDANCE*

Board of Commissioners
Lewiston-Nez Perce County Regional Airport Authority
Lewiston, Idaho

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Lewiston-Nez Perce County Regional Airport Authority's compliance with the types of compliance requirements identified as subject to audit in the OMB's *Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended September 30, 2024. The Lewiston-Nez Perce County Regional Airport Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Lewiston-Nez Perce County Regional Airport Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2024.

Basis for Opinion of Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (*Uniform Guidance*). Our responsibilities under those standards and the *Uniform Guidance* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Lewiston-Nez Perce County Regional Airport Authority, and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Lewiston-Nez Perce County Regional Airport Authority's compliance with the compliance requirements referred to above.

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Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Lewiston-Nez Perce County Regional Airport Authority's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Lewiston-Nez Perce County Regional Airport Authority's compliance based on our audit. 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, *Government Auditing Standards*, and the *Uniform Guidance* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Lewiston-Nez Perce County Regional Airport Authority's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the *Uniform Guidance*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Lewiston-Nez Perce County Regional Airport Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Lewiston-Nez Perce County Regional Airport Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *Uniform Guidance*, but not for the purpose of expressing an opinion on the effectiveness of the Lewiston-Nez Perce County Regional Airport Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as finding #2024-001 to be considered a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards require the auditor to perform limited procedures on the Lewiston-Nez Perce County Regional Airport Authority's response to the internal control over compliance findings identified in our compliance audit, described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the *Uniform Guidance*. Accordingly, this report is not suitable for any other purpose.

Presnell Gage, PLLC

May 21, 2025
Lewiston, Idaho

INDEPENDENT AUDITOR'S REPORT – COMPLIANCE AND INTERNAL CONTROL OVER COMPLIANCE – *PASSENGER FACILITY CHARGE (PFC) PROGRAM*

Board of Commissioners
Lewiston-Nez Perce County Regional Airport Authority
Lewiston, Idaho

Report on Compliance for Passenger Facility Charge Program

Opinion on the Passenger Facility Charge Program

We have audited the Lewiston-Nez Perce County Regional Airport Authority's compliance with the types of compliance requirements identified as subject to audit in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration (the Guide), that could have a direct and material effect on its Passenger Facility Charge Program for the year ended September 30, 2024.

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its Passenger Facility Charge Program for the year ended September 30, 2024.

Basis for Opinion on the Passenger Facility Charge Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the Unites States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and the Guide. Our responsibilities under those standards and the Guide are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Authority and to maintain our ethical responsibilities, in accordance with 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 opinion on compliance for the Passenger Facility Charge Program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Authority's Passenger Facility Charge Program.

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Eagle Office: 1159 E Iron Eagle Drive, Suite 100, Eagle, Idaho 83616, (208) 319-2929

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Lewiston-Nez Perce County Regional Airport Authority's compliance based on our audit. 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, *Government Auditing Standards*, and the Guide will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Lewiston-Nez Perce County Regional Airport Authority's compliance with the requirements of the Passenger Facility Charge Program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Guide, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Lewiston-Nez Perce County Regional Airport Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Lewiston-Nez Perce County Regional Airport Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Guide, but not for the purpose of expressing an opinion on the effectiveness of the Lewiston-Nez Perce County Regional Airport Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as finding #2024-001, to be considered a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the Lewiston-Nez Perce County Regional Airport Authority's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Guide. Accordingly, this report is not suitable for any other purpose.

Presnell Gage, PLLC

May 21, 2025
Lewiston, Idaho

LEWISTON-NEZ PERCE COUNTY REGIONAL AIRPORT AUTHORITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - MODIFIED ACCRUAL BASIS
Year Ended September 30, 2024

	Federal Assistance Listing Number	Award Identifying Number	Passed Through To Subrecipients	Federal Expenditures
DEPARTMENT OF TRANSPORTATION				
COVID-19 - Airport Improvement Program	20.106	3-16-0022-046-2021	None	$ 58
Airport Improvement Program	20.106	3-16-0022-048-2021	None	159,305
Airport Improvement Program	20.106	3-16-0022-051-2022	None	247,450
Airport Improvement Program	20.106	3-16-0022-052-2022	None	258,545
Airport Improvement Program	20.106	3-16-0022-053-2023	None	1,179,291
Airport Improvement Program	20.106	3-16-0022-054-2023	None	74,209
Airport Improvement Program	20.106	3-16-0022-055-2024	None	215,020
Airport Improvement Program	20.106	3-16-0022-056-2024	None	266,713
Airport Improvement Program	20.106	3-16-0022-057-2024	None	12,086
Total Department of Transportation				2,412,677
TOTAL EXPENDITURES OF FEDERAL AWARDS				$ 2,412,677

NOTE 1: BASIS OF PRESENTATION

The schedule includes federal award activity of the Authority under programs of the federal government for the year ended September 30, 2024. The information in this schedule is presented in compliance with the requirements of Title 2 U.S. Code of *Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Authority.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the *Uniform Guidance*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3: DE MINIMIS INDIRECT COST RATE

The Authority did not elect to use the 10 percent de minimis cost rate.

LEWISTON-NEZ PERCE COUNTY REGIONAL AIRPORT AUTHORITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended September 30, 2024

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified	
Internal control over financial reporting:		
* Material weakness(es) identified	___ yes	_X_ no
* Significant deficiency(s) identified that are not considered to be material weaknesses?	_X_ yes	___ no
Noncompliance material to financial statements noted?	___ yes	_X_ no

Federal Awards

Internal control over major programs:		
* Material weakness(es) identified	___ yes	_X_ no
* Significant deficiency(s) identified that are not considered to be material weaknesses?	_X_ yes	___ no
Type of auditor's report issued on compliance for major programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with OMB's *Uniform Guidance*?	___ yes	_X_ no

Identification of major programs:

CFDA Numbers	Name of Federal Program or Cluster
20.106	Airport Improvement Program

Dollar threshold used to distinguish between type A and type B programs:	$ 750,000	
Auditee qualified as low-risk auditee?	_X_ yes	___ no

Section II – Financial Statement Findings

SIGNIFICANT DEFICIENCY

Finding #2024-001

Criteria: Internal control systems generally attempt to divide up accounting tasks among multiple individuals (segregation of duties) to improve the ability of the organization to identify errors within the accounting system.

Condition: The Lewiston-Nez Perce County Regional Airport Authority has concentrated many accounting duties to one individual such that the desired segregation of duties is not possible. There are a limited number of personnel available to provide for the desired "segregation of duties."

Effect: Many accounting duties are performed by a single individual with limited oversight available within the Lewiston-Nez Perce County Regional Airport Authority.

Response: The Lewiston-Nez Perce County Regional Airport Authority's Commission Members believe that the cost of hiring additional accounting staff outweighs the benefits that segregation of duties would provide.

Recommendation: We concur with the Authority's response.

Section III – Federal Award Findings and Questioned Costs

SIGNIFICANT DEFICIENCY

Finding #2024-001

Criteria: Internal control systems generally attempt to divide up accounting tasks among multiple individuals (segregation of duties) to improve the ability of the organization to identify errors within the accounting system.

Condition: The Lewiston-Nez Perce County Regional Airport Authority has concentrated many accounting duties to one individual such that the desired segregation of duties is not possible. There are a limited number of personnel available to provide for the desired "segregation of duties."

Effect: Many accounting duties are performed by a single individual with limited oversight available within the Lewiston-Nez Perce County Regional Airport Authority.

Response: The Lewiston-Nez Perce County Regional Airport Authority's Commission Members believe that the cost of hiring additional accounting staff outweighs the benefits that segregation of duties would provide.

Recommendation: We concur with the Authority's response.

Section IV – PFC Program Findings and Questioned Costs

SIGNIFICANT DEFICIENCY

Finding #2024-001

Criteria: Internal control systems generally attempt to divide up accounting tasks among multiple individuals (segregation of duties) to improve the ability of the organization to identify errors within the accounting system.

Condition: The Lewiston-Nez Perce County Regional Airport Authority has concentrated many accounting duties to one individual such that the desired segregation of duties is not possible. There are a limited number of personnel available to provide for the desired "segregation of duties."

Effect: Many accounting duties are performed by a single individual with limited oversight available within the Lewiston-Nez Perce County Regional Airport Authority.

Response: The Lewiston-Nez Perce County Regional Airport Authority's Commission Members believe that the cost of hiring additional accounting staff outweighs the benefits that segregation of duties would provide.

Recommendation: We concur with the Authority's response.

LEWISTON-NEZ PERCE COUNTY REGIONAL AIRPORT AUTHORITY

BUDGETARY COMPARISON SCHEDULE -
CAPITAL PROJECTS FUND
Year Ended September 30, 2024

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget
	Original	Final		
REVENUES				
Passenger facility charges	$ 221,172	$ 221,172	$ 223,993	$ 2,821
Federal Aviation Administration grants	2,972,811	2,972,811	2,746,193	(226,618)
Intergovernmental revenue	421,042	421,042	421,042	
Investment income			769	769
Total revenues	3,615,025	3,615,025	3,391,997	(223,028)
EXPENDITURES				
Airport Improvement	3,547,332	3,547,332	2,555,613	991,719
Total expenditures	3,547,332	3,547,332	2,555,613	991,719
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	67,693	67,693	836,384	768,691
NET CHANGE IN FUND BALANCE	67,693	67,693	836,384	768,691
FUND BALANCE AT BEGINNING OF YEAR	0	0	0	0
FUND BALANCE AT END OF YEAR	$ 67,693	$ 67,693	$ 836,384	$ 768,691

Note: The budgetary comparison schedule is presented on the modified accrual basis of accounting, which is the same basis of accounting used by the Authority in the fund financial statements.

LEWISTON-NEZ PERCE COUNTY REGIONAL AIRPORT AUTHORITY

SCHEDULE OF PASSENGER FACILITY CHARGE COLLECTIONS, INTEREST, AND DISBURSEMENTS

Year Ended September 30, 2024

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
BEGINNING BALANCE	$ 137,323	$ 187,983	$ 110,968	$ 155,553
COLLECTIONS	47,472	53,230	59,198	54,880
INTEREST	63	64	106	122
DISBURSEMENTS				
05-011 Correct magnetic variation RW 8/26	3,125			
07-001 Taxiway A Rehabilitation		(115,787)	(10,158)	
07-002 Taxiway A safety area improv.				(10,496)
07-003 Aquire new snow removal equip.		(14,210)		(60)
07-004 Terminal Planning Study		(312)	(4,561)	(74)
07-005 Construct Hangar Taxi lanes				(35,583)
07-006 Prepare PFC Application				(1,688)
ENDING BALANCE	$ 187,983	$ 110,968	$ 155,553	$ 162,654