NORTH LAKE RECREATIONAL SEWER AND WATER DISTRICT

Report on Audited
Basic
Financial Statements
and
Supplemental Information

For the Year Ended November 30, 2024

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Independent Auditor's Report

Board of Directors
North Lake Recreational Sewer and Water District
Donnelly, Idaho

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and the fund information of North Lake Recreational Sewer and Water District (the District), as of and for the year ended November 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 business-type activities and the fund information of North Lake Recreational Sewer and Water District, as of November 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of North Lake Recreational Sewer and Water 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 North Lake Recreational Sewer and Water 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.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the North Lake Recreational Sewer and Water 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 North Lake Recreational Sewer and Water 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 that the schedule of District's proportionate share of the net pension liability, and schedule of District contributions on page 23 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 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 North Lake Recreational Sewer and Water District's basic financial statements. The supplemental information, as listed in the table of contents, is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental information on pages 25 through 36 is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 supplementary information is 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 28, 2025, on our consideration of North Lake Recreational Sewer and Water 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 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 North Lake Recreational Sewer and Water District's internal control over financial reporting and compliance.

Zwygart John and Associates CPAs, PLLC

Nampa, Idaho
May 28, 2025

North Lake Recreational Sewer and Water District
Statement of Net Position -
Proprietary Funds
November 30, 2024

Assets		
Current Assets:		
Cash and Cash Equivalents	$	7,911,712
Accounts Receivable, Net		504,889
Accounts Receivable-LID, Net		5,819,570
Taxes Receivable, Net		10,608
Prepaids		16,038
Total Current Assets		14,262,817
Noncurrent Assets:		
Restricted Cash and Cash Equivalents		750,779
Total Noncurrent Assets		750,779
Capital Assets:		
Land		542,706
Construction in Progress		793,352
Buildings, Net		1,841,874
Improvements, Net		21,460,627
Equipment, Net		1,366,455
Total Capital Assets		26,005,014
Other Assets:		
Unamortized Bond Issuance Costs, Net		12,383
Total Assets		41,030,993
Deferred Outflows		
Pension Related Items		121,841
Total Deferred Outflows		121,841
Liabilities		
Current Liabilities:		
Accounts Payable		91,304
Accrued Payroll and Payroll Taxes		60,286
Unearned Revenue		75,162
Accrued Interest		34,366
Leases Payable		92,035
Total Current Liabilities		353,153
Long-Term Liabilities:		
Conduit Debt		17,172,770
Leases Payable		94,797
Net Pension Liabilities		423,112
Total Liabilities		18,043,832
Deferred Inflows		
Pension Related Items		7,680
Total Deferred Inflows		7,680
Net Position		
Invested in Capital Assets, Net of Related Debt		8,832,244
Restricted		750,779
Unrestricted (Deficit) Surplus		13,518,299
Total Net Position	$	23,101,322

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

North Lake Recreational Sewer and Water District
Statement of Revenues, Expenses, and
Changes in Net Position - Proprietary Funds
For the Year Ended November 30, 2024

Operating Revenues		
Charges for Services	$	3,017,335
Miscellaneous		64,309
Total Operating Revenues		3,081,644
Operating Expenses		
Salaries and Benefits		717,501
Services and Supplies		484,857
Insurance Premiums		184,324
Plant and Vehicle		188,335
Repairs and Maintenance		587,177
Depreciation		1,748,943
Total Operating Expenses		3,911,137
Operating Income (Loss)		(829,493)
Nonoperating Revenues (Expenses)		
Property, Sales, and Use Taxes		297,651
Interest Income		246,077
Interest Expense		(1,172,330)
Total Nonoperating Revenue (Expenses)		(628,602)
Change in Net Position		(1,458,095)
Net Position - Beginning		24,559,417
Net Position - Ending	$	23,101,322

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

North Lake Recreational Sewer and Water District
Statement of Cash Flows -
Proprietary Funds
For the Year Ended November 30, 2024

Cash Flows From Operating Activities	
Receipts from Customers	$ 4,686,341
Payments to Employees for Services	(675,901)
Payments to Suppliers for Goods or Services	(1,390,041)
Net Cash Provided (Used) by Operating Activities	2,620,399
Cash Flows From Noncapital Financing Activities	
Property Taxes	297,651
Net Cash Provided (Used) by Noncapital Financing Activities	297,651
Cash Flows From Capital and Related Financing Activities	
Purchases of Property and Equipment	(1,165,679)
Sale of Capital Assets	183,421
Principal Paid on Capital Debt	(1,313,947)
Interest Paid on Capital Debt	(1,183,765)
Net Cash Provided (Used) by Capital and Related Financing Activities	(3,479,970)
Cash Flows From Investing Activities	
Interest Received	246,077
Net Increase (Decrease) in Cash and Cash Equivalents	(315,843)
Cash and Cash Equivalents, Beginning	8,978,334
Cash and Cash Equivalents, Ending	$ 8,662,491
Displayed As:	
Cash and Cash Equivalents	$ 7,911,712
Restricted Assets	750,779
	$ 8,662,491

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

North Lake Recreational Sewer and Water District
Statement of Cash Flows -
Proprietary Funds (continued)
For the Year Ended November 30, 2024

Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:

Operating Income (Loss)	$	(829,493)
Adjustment to Reconcile Operating Income (Loss) to Net Income Provided (Used) by Operating Activities:		
Depreciation and Amortization		1,748,943
Forgiveness of LIDs		(24,170)
(Increase) Decrease in Accounts Receivable		(23,194)
(Increase) Decrease in Accounts Receivable-LID		1,734,747
(Increase) Decrease in Prepaids		21,351
Increase (Decrease) in Accounts Payable		33,301
Increase (Decrease) in Unearned Revenue		(82,686)
Increase (Decrease) in Accrued Payroll and Benefits		41,600
Net Cash Provided (Used) by Operating Activities	$	2,620,399

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The North Lake Recreational Sewer and Water District (the District) was created by an order of the District Court of the Fourth Judicial District of the State of Idaho on August 23, 1994, under Chapter 32 of Title 42, Idaho Code. The District operates under a board of director's form of government. The District was created for the purpose of providing for water and sewage disposal by constructing and installing a public water and sewage system and to provide water and sewer service to the territory encompassed within the District.

The District receives some funding from local government sources and must comply with all of the requirements of these funding source entities. However, the District is not included in any other government reporting entity as defined by generally accepted accounting principles. Board members are elected by the public and have decision-making authority, the power to designate management, the ability to significantly influence operations, and the primary accountability for fiscal matters. In addition, the District's reporting entity does not contain any component units as defined in Governmental Accounting Standards.

The accounting policies of the North Lake Recreational Sewer and Water District conform to generally accepted accounting principles as applicable to governments.

B. Basis of Presentation, Basis of Accounting

Basis of Presentation

Proprietary fund operating revenues and expenses are related to providing water and sewer services to the residents and businesses of the District and providing services to the City of Donnelly. Revenues and expenses that arise from capital and non-capital financing activities and from investing activities are presented as non-operating revenues or expenses.

The Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds presents a comparison between direct expenses and program revenues for each function of the District's proprietary activities.

- Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function.
- Indirect expenses - expenses of the District related to the administration and support of the District's programs, such as personnel and accounting - are allocated to programs.

- Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program.

The District has the following major enterprise fund:

- *Sewer and Water fund.* This fund accounts for the activities of the District's water and sewer supply system, pumping stations, sewage treatment plant, and collection systems. All projects for the District are combined into one fund.

Basis of Accounting

The proprietary statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Under the terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

C. Assets and Liabilities

Cash and Cash Equivalents

The District requires all cash belonging to the District to be placed in custody of the Clerk/Treasurer. A "Pooled Cash" concept is therefore used in maintaining the cash and investment accounts in the accounting records. Under this method, all cash is pooled for investment purposes and each fund has equity in the pooled amount. All amounts included in the pooled cash and investment accounts are considered to be cash and cash equivalents. See Note 2.

Property Tax Calendar

The District levies its real property taxes through the county in September of each year based upon the assessed valuation as of the previous July.

Property taxes are due in two installments on December 20 and June 20 and are considered delinquent on January 1 and July 1, at which time the property is subject to lien.

Capital Assets

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

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

	Capitalization Policy	Depreciation Method	Estimated Useful Life
Buildings and Improvements	$5,000	Straight-Line	10 – 40 Years
Equipment and Vehicles	$5,000	Straight-Line	5 – 20 Years

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

Accounts Receivable

Because liens can be placed on property for uncollected receivables, the allowance is believed to be zero.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

2. CASH AND INVESTMENTS

Deposits

As of November 30, 2024, the carrying amount of the District's deposits was $8,662,491 and the respective bank balances totaled $9,745,869. All of the bank balance was insured or collateralized with pooled securities held by the pledging institution in the name of the District.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned. As of November 30, 2024, $9,745,869 of the District's deposits were covered by federal depository insurance or by collateral held by the District's agent or pledging financial institution's trust department or agent in the name of the District, and thus were not exposed to custodial credit risk. The District does not have a formal policy limiting its exposure to custodial credit risk for deposits. The District had $100 of cash on hand at the end of the year.

Custodial Credit Risk – Investments

Custodial credit risk is the risk that an issuer or other counter party to an investment will not fulfill its obligations. The District does not have a formal policy limiting its custodial credit risk for investments.

Interest Rate Risk

The District does not have a formal policy limiting investment maturities that would help manage its exposure to fair value losses from increasing interest rates.

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

Cash and Cash Equivalents	$	7,911,712
Restricted Cash		750,779
	$	8,662,491

3. CONDUIT DEBT

Local Improvement Districts have been setup to provide funds for water and sewer projects. The District acts as an agent for the collection and payment of the debt. The Local Improvement District debt is not owed by the District. The District follows GASB interpretation No 2 disclosure of conduit debt obligation.

LID 1899-18 (Department of Environmental Quality) payments were not made because a major landholder's accounts are delinquent and not enough funds have been collected to be able to make the payments.

Changes in conduit debt obligations for the year ended November 30, 2024, are as follows:

Current Conduit Debt

Description	Maturity	Rate	11/30/2023	Increase	Decrease	11/30/2024
LID 1899-16	2024	3.25%	$ 265,560	$ -	$ (198,669)	$ 66,891
N/P WW0802	2034	3.00%	3,429,514	-	(267,891)	3,161,623
LID 1899-09	2023	3.50%	1,597,392	-	(294,135)	1,303,257
LID 1899-18	2028	3.25%	5,541,067	-	(393,068)	5,147,999
N/P 2004-02	2025	5.80%	7,588,000	-	(95,000)	7,493,000
			$ 18,421,533	$ -	$ (1,248,763)	$ 17,172,770

$ 1,172,330 of interest was incurred during the year ended November 30, 2024. $ 1,172,330 of the interest was expensed, none was capitalized as improvements.

4. RISK MANAGEMENT

The District is exposed to a considerable number of risks of loss including, but not limited to, a) damage to and loss of property and contents, b) employee torts, c) professional liabilities, i.e. errors and omissions, d) environmental damage, e) worker's compensation, i.e. employee injuries, and f) medical insurance costs of its employees. Commercial insurance policies are purchased to transfer the risk of loss for property and content damage, employee torts, and professional liabilities.

5. PENSION PLAN

Plan Description

The District contributes to the Base Plan which is a cost-sharing multiple-employer defined benefit pension plan administered by Public Employee Retirement System of Idaho (PERSI or System) 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 retirement, disability, death and survivor benefits of eligible members or beneficiaries. Benefits are based on members' years of service, age, and highest average salary. Members become fully vested in their retirement benefits with five 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 classification. The annual service retirement allowance for each month of credited services is 2.0% (2.3% 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% minimum cost of living increase per year provided the Consumer Price Index increases 1% 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%, whichever is less; however, any amount above the 1% minimum is subject to review by the Idaho Legislature.

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% of the employer rate for general employees and 74% for public safety. As of June 30, 2024, it was 6.71% for general employees and 9.83% for public safety. The employer contribution rate as a percentage of covered payroll is set by the Retirement Board and was 11.18% for general employees and 13.26% for police and firefighters. North Lake Recreational Sewer and Water District's (the District) contributions were $64,734 for the year ended November 30, 2024.

Pension Liabilities, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At November 30, 2024, the District reported a liability 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 District's proportion of the net pension liability was based on the District'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, North Lake Recreational Sewer and Water District's proportion was 0.01131120 percent.

For the year ended November 30, 2024, the District recognized pension expense/(revenue) of $117,209. At November 30, 2024, North Ada County Fire and Rescue District 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
Differences between expected and actual experience	$ 67,363	$ -
Changes in assumptions or other inputs	16,762	-
Net difference between projected and actual earnings on pension plan investments	-	7,680
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions.	9,116	-
North Lake Recreational Sewer and Water District's contributions subsequent to the measurement date	28,600	-
Total	$ 121,841	$ 7,680

$28,600 reported as deferred outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending November 30, 2024.

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 4.6 and 4.6 for the measurement period June 30, 2024.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (revenue) as follows:

For the Year Ended November 30:	PERSI
2025	$58,599
2026	78,890
2027	(13,604)
2028	(9,724)

Actuarial Assumptions

Valuations are based on 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 for the Base Plan permitted under Section 59-1322, Idaho Code, is 25 years.

The total pension liability 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	3.05%
Salary inflation	3.05%
Investment rate of return	6.35%, net of investment expense
Cost-of-living adjustments	1%

Contributing Members, Service Retirement Members, and Beneficiaries

- General Employees and All Beneficiaries – Males-2010 General Tables, increased 11%
- General Employees and All Beneficiaries – Females Pub-2010 General Tables, increased 21%
- Teachers – Males Pub-2010 Teacher Tables, increased 12%
- Teachers – Females Pub-2010 Teacher Tables, increased 21%

- Fire & Police – Males Pub-2010 Safety Tables, increased 21%
- Fire & Police – Females Pub-2010 Safety Tables, increased 26%
- Disabled Members – Males Pub-2010 Disabled Tables, increase 38%
- Disabled Members – Females Pub-2010 Disabled Tables, increased 36%

An experience study was performed for the period July 1, 2015 through June 30, 2020 which reviewed all economic and demographic assumptions including 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 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. The capital market assumptions are as of 2024.

Asset Class	
Fixed Income	30%
US/Global Equity	55%
International Equity	15%
Cash	0%
Total	100%

Discount Rate

The discount rate used to measure the total pension liability was 6.35%. 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 plans' 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 Employer's proportionate share of the net pension liability to changes in the discount rate.

The following presents the Employer's proportionate share of the net pension liability calculated using the discount rate of 6.35 percent, as well as what the Employer'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%)
Employer's proportionate share of the net pension liability (asset)	$ 804,044	$ 423,112	$ 111,987

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.

6. DELINQUENT ACCOUNTS RECEIVABLE

Tamarack, a major landholder in the District, is experiencing financial difficulty and receivables with them have not been collected. This has resulted in the District's inability to make loan payments related to Tamarack's LIDs. The District has placed liens on the land involved, but until the land can be resold, the receivable and the corresponding loan will remain delinquent.

7. COMPENSATED ABSENCES

Vacation leave is granted to all regular City employees. In the event of termination, an employee is reimbursed for accumulated vacation leave.

Changes in compensated absences for the year ended November 30, 2024, are as follows:

11/30/2023	Increase	Decrease	11/30/2024	Current Portion
$ 11,526	$ 36,494	$ (40,938)	$ 7,083	$ 7,083

8. CAPITAL ASSETS

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

	11/30/2023	Additions	Disposals	11/30/2024
Capital Assets Not Being Depreciated:				
Land	$ 542,706	$ -	$ -	$ 542,706
Construction in Progress	183,421	793,352	(183,421)	793,352
	726,127	793,352	(183,421)	1,336,058
Capital Assets Being Depreciated:				
Buildings	2,099,473	24,785	-	2,124,258
Improvements	46,734,412	63,651	-	46,798,063
Equipment	1,912,860	283,891	-	2,196,751
Total Historical Cost	50,746,745	372,327	-	51,119,072
Less: Accumulated Depreciation				
Buildings	252,407	29,977	-	282,384
Improvements	23,809,451	1,527,985	-	25,337,436
Equipment	651,699	178,597	-	830,296
Total Acc. Depr.	24,713,557	1,736,559	-	26,450,116
Net Depreciable Assets	26,033,188	(1,364,232)	-	24,668,956
Capital Assets - Net	$ 26,759,315	$ (570,880)	$ (183,421)	$ 26,005,014

9. PREPAIDS

Prepaids are made up of LID payments that have been sent to the lending institutions but had not yet been credited to the notes at November 30th. The amounts were received after year end by the lending institutions.

10. LONG-TERM OBLIGATIONS

In 2019, The District entered into a purchase agreement with Suez Water Technologies & Solutions for 8 replacement membranes. The District will receive 2 membranes a year until all have been received and installed. Once installed the membranes will begin to be depreciated. The municipal leases consist of:

Equipment	$ 784,392
Less: accumulated amortization	(285,976)
	$ 498,416

Changes in long-term obligations for the year ended November 30, 2024 are as follows:

Description	Maturity	Rate	11/30/2023	Increase	Decrease	11/30/2024	Current
Membranes	2026	3.00%	$ 276,186	$ -	$ (89,354)	$ 186,832	$92,035

Debt service requirements on long-term debt at November 30, 2024, are as follows:

Year Ending November 30,	Principal	Interest	Total Payment
2025	$ 92,035	5,605	$ 97,640
2026	94,796	2,844	97,640
	$ 186,831	$ 8,449	$ 195,280

The interest expense on the municipal leases for the year ended November 30, 2024 was $41,425. No interest was capitalized during the year.

REQUIRED SUPPLEMENTARY INFORMATION

North Lake Recreational Sewer and Water District
Schedule of the Required Supplemental Information
Public Employees Retirement System of Idaho
Last 10 - Fiscal Years*

Schedule of the District's Proportionate Share of Net Pension Liability

Year	District proportion of the net pension liability	District proportion of the net pension liability	District's covered-employee payroll	District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability
2024	0.0113112%	$ 423,112	$ 565,069	74.88%	85.54%
2023	0.0119369%	476,362	540,439	88.14%	83.83%
2022	0.0099436%	391,653	429,607	91.17%	83.09%
2021	0.0011245%	(8,881)	401,997	-2.21%	100.36%
2020	0.0036578%	84,939	305,688	27.79%	93.79%

Data reported is measured as of June 30, 2024.

Schedule of District 's Contributions

Year	Contractually required contributions	Contributions in relation to the contractually required contributions	Contribution deficiency (excess)	District's covered-employee payroll	Contributions as a percentage of covered-employee payroll
2024	$ 64,734	$ 64,734	$ -	$ 565,069	11.46%
2023	63,121	63,121	-	540,439	11.68%
2022	57,295	57,295	-	429,607	11.94%
2021	47,988	47,988	-	401,998	11.94%
2020	36,499	36,499	-	305,688	11.94%

Data reported is measured as of November 30, 2024.

* GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, North Lake Recreational Sewer and Water District will present information for those years for which information is available.

SUPPLEMENTAL INFORMATION

North Lake Recreational Sewer and Water District
Statement of Net Position - By Project
November 30, 2024

	Mountain Meadows	Lake Cascade Ranch	Daystar Water
Assets			
Current Assets:			
Cash and Cash Equivalents	$ -	$ -	$ -
Accounts Receivable, Net	-	-	-
Accounts Receivable-LID, Net	-	-	-
Taxes Receivable, Net	-	-	-
Prepaids	-	-	-
Total Current Assets	-	-	-
Noncurrent Assets			
Restricted Cash and Cash Equivalents	-	-	-
Capital Assets:			
Land	-	-	-
Construction in Progress	-	-	-
Buildings, Net	-	-	-
Improvements, Net	223,813	77,642	296,475
Equipment, Net	-	-	-
Total Capital Assets	223,813	77,642	296,475
Other Assets:			
Unamortized Bond Issuance Costs, Net	-	-	-
Total Assets	223,813	77,642	296,475
Deferred Outflows			
Pension Related Items	-	-	-
Total Deferred Outflows	-	-	-
Liabilities			
Current Liabilities:			
Accounts Payable	-	-	-
Accrued Payroll and Payroll Taxes	-	-	-
Unearned Revenue	-	-	-
Accrued Interest	-	-	-
Leases Payable	-	-	-
Total Current Liabilities	-	-	-
Long-Term Liabilities:			
Notes Payable	-	-	-
Leases Payable	-	-	-
Net Pension Liabilities	-	-	-
Total Liabilities	-	-	-
Deferred Inflows			
Pension Related Items	-	-	-
Total Deferred Inflows	-	-	-
Net Position			
Invested in Capital Assets, Net of Related Debt	223,813	77,642	296,475
Restricted	-	-	-
Unrestricted	-	-	-
Total Net Position	$ 223,813	$ 77,642	$ 296,475

North Lake Recreational Sewer and Water District
Statement of Net Position - By Project (continued)
November 30, 2024

Assets	Tamarack I	Wagon Wheel	Tamarack II	Tamarack Water
Current Assets:				
Cash and Cash Equivalents	$ 56	$ 12,966	$ 130,484	$ 15
Accounts Receivable, Net	10,626	396	200,724	148,838
Accounts Receivable-LID, Net	874,801	254	503,782	612,574
Taxes Receivable, Net	-	-	-	-
Prepaids	-	-	-	-
Total Current Assets	885,483	13,616	834,990	761,427
Noncurrent Assets				
Restricted Cash and Cash Equivalents	-	-	-	750,779
Capital Assets:				
Land	-	-	-	-
Construction in Progress	-	-	-	-
Buildings, Net	-	-	-	-
Improvements, Net	2,529,152	230,652	1,557,337	4,501,693
Equipment, Net	-	-	-	-
Total Capital Assets	2,529,152	230,652	1,557,337	4,501,693
Other Assets:				
Unamortized Bond Issuance Costs, Net	-	-	-	12,383
Total Assets	3,414,635	244,268	2,392,327	6,026,282
Deferred Outflows				
Pension Related Items	-	-	-	-
Total Deferred Outflows	-	-	-	-
Liabilities				
Current Liabilities:				
Accounts Payable	-	-	-	-
Accrued Payroll and Payroll Taxes	-	-	-	-
Unearned Revenue	-	396	-	-
Accrued Interest	-	-	181	-
Leases Payable	-	-	-	-
Total Current Liabilities	-	396	181	-
Long-Term Liabilities:				
Notes Payable	1,303,257	-	66,891	7,493,000
Leases Payable	-	-	-	-
Net Pension Liabilities	-	-	-	-
Total Liabilities	1,303,257	396	67,072	7,493,000
Deferred Inflows				
Pension Related Items	-	-	-	-
Total Deferred Inflows	-	-	-	-
Net Position				
Invested in Capital Assets, Net of Related Debt	1,225,895	230,652	1,490,446	(2,991,307)
Restricted	-	-	-	750,779
Unrestricted	885,483	13,220	834,809	773,810
Total Net Position	$ 2,111,378	$ 243,872	$ 2,325,255	$ (1,466,718)

North Lake Recreational Sewer and Water District
Statement of Net Position - By Project (continued)
November 30, 2024

Assets	Tamarack Phase III	West Side	O&M	Total
Current Assets:				
Cash and Cash Equivalents	$ -	$ 1,052,956	$ 6,715,235	$ 7,911,712
Accounts Receivable, Net	83,614	10,252	50,439	504,889
Accounts Receivable-LID, Net	1,589,529	2,238,630	-	5,819,570
Taxes Receivable, Net	-	-	10,608	10,608
Prepaids	-	-	16,038	16,038
Total Current Assets	1,673,143	3,301,838	6,792,320	14,262,817
Noncurrent Assets				
Restricted Cash and Cash Equivalents	-	-	-	750,779
Capital Assets:				
Land	-	-	542,706	542,706
Construction in Progress	-	-	793,352	793,352
Buildings, Net	-	1,170,687	671,187	1,841,874
Improvements, Net	6,791,849	1,937,607	3,314,407	21,460,627
Equipment, Net	-	-	1,366,455	1,366,455
Total Capital Assets	6,791,849	3,108,294	6,688,107	26,005,014
Other Assets:				
Unamortized Bond Issuance Costs, Net	-	-	-	12,383
Total Assets	8,464,992	6,410,132	13,480,427	41,030,993
Deferred Outflows				
Pension Related Items	-	-	121,841	121,841
Total Deferred Outflows	-	-	121,841	121,841
Liabilities				
Current Liabilities:				
Accounts Payable	-	-	91,304	91,304
Accrued Payroll and Payroll Taxes	-	-	60,286	60,286
Unearned Revenue	-	20,300	54,466	75,162
Accrued Interest	-	31,616	2,569	34,366
Leases Payable	-	-	92,035	92,035
Total Current Liabilities	-	51,916	300,660	353,153
Long-Term Liabilities:				
Notes Payable	5,147,999	3,161,623	-	17,172,770
Leases Payable	-	-	94,797	94,797
Net Pension Liabilities	-	-	423,112	423,112
Total Liabilities	5,147,999	3,213,539	818,569	18,043,832
Deferred Inflows				
Pension Related Items	-	-	7,680	7,680
Total Deferred Inflows	-	-	7,680	7,680
Net Position				
Invested in Capital Assets, Net of Related Debt	1,643,850	(53,329)	6,688,107	8,832,244
Restricted	-	-	-	750,779
Unrestricted	1,673,143	3,249,922	6,087,912	13,518,299
Total Net Position	$ 3,316,993	$ 3,196,593	$ 12,776,019	$ 23,101,322

North Lake Recreational Sewer and Water District
Statement of Revenues, Expenses, and
Changes in Net Position - By Project
For the Year Ended November 30, 2024

	Mountain Meadows	Lake Cascade Ranch	Daystar Water
Operating Revenues			
Charges for Services	$ -	$ -	$ -
Miscellaneous	-	-	-
Total Operating Revenues	-	-	-
Operating Expenses			
Auto Expenses	-	-	-
Administrative	-	-	-
Board Expenses	-	-	-
Dues and Subscriptions	-	-	-
Insurance	-	-	-
Legal Expenses	-	-	-
Minor Equipment	-	-	-
Miscellaneous Expense	-	-	-
Postage and Delivery	-	-	-
Wages	-	-	-
Plant Expense	-	-	-
Publishing and Advertising	-	-	-
Repairs and Maintenance	-	-	-
Snow Removal	-	-	-
Supplies	-	-	-
Taxes - Payroll	-	-	-
Retirement	-	-	-
Telephone	-	-	-
Utilities	-	-	-
Depreciation	11,787	4,090	15,604
Total Operating Expenses	11,787	4,090	15,604
Operating Income (Loss)	(11,787)	(4,090)	(15,604)
Nonoperating Revenues (Expenses)			
Property, Sales, and Use Taxes	-	-	-
Interest Income	-	-	-
Interest Expense	-	-	-
Transfers In/(Out)	-	-	(19,779)
Total Nonoperating Revenues (Expenses)	-	-	(19,779)
Change in Net Position	(11,787)	(4,090)	(35,383)
Net Position - Beginning	235,600	81,732	331,858
Net Position - Ending	$ 223,813	$ 77,642	$ 296,475

North Lake Recreational Sewer and Water District
Statement of Revenues, Expenses, and
Changes in Net Position - By Project (continued)
For the Year Ended November 30, 2024

	Tamarack I	Wagon Wheel	Tamarack II	Tamarack Water
Operating Revenues				
Charges for Services	$ 71,998	$ 11,054	$ 38,546	$ 181,655
Miscellaneous	-	-	-	-
Total Operating Revenues	71,998	11,054	38,546	181,655
Operating Expenses				
Auto Expenses	-	-	-	-
Administrative	5,200	-	3,108	-
Board Expenses	-	-	-	-
Dues and Subscriptions	-	-	-	-
Insurance	-	-	-	-
Legal Expenses	-	-	-	-
Minor Equipment	-	-	-	-
Miscellaneous Expense	-	-	-	-
Postage and Delivery	-	-	-	-
Wages	-	-	-	-
Plant Expense	-	-	-	-
Publishing and Advertising	-	-	-	-
Repairs and Maintenance	-	-	-	-
Snow Removal	-	-	-	-
Supplies	-	-	-	-
Taxes - Payroll	-	-	-	-
Retirement	-	-	-	-
Telephone	-	-	-	-
Utilities	-	-	-	-
Depreciation	193,449	10,984	111,238	226,217
Total Operating Expenses	198,649	10,984	114,346	226,217
Operating Income (Loss)	(126,651)	70	(75,800)	(44,562)
Nonoperating Revenues (Expenses)				
Property, Sales, and Use Taxes	-	-	-	-
Interest Income	4	(61)	21,756	11,881
Interest Expense	(48,920)	-	(8,093)	(825,189)
Transfers In/(Out)	-	-	-	-
Total Nonoperating Revenues (Expenses)	(48,916)	(61)	13,663	(813,308)
Change in Net Position	(175,567)	9	(62,137)	(857,870)
Net Position - Beginning	2,286,945	243,863	2,387,392	(608,848)
Net Position - Ending	$ 2,111,378	$ 243,872	$ 2,325,255	$ (1,466,718)

North Lake Recreational Sewer and Water District
Statement of Revenues, Expenses, and
Changes in Net Position - By Project (continued)
For the Year Ended November 30, 2024

	Tamarack Phase III	West Side Construction	O&M	Total
Operating Revenues				
Charges for Services	$ 142,345	$ 113,287	$ 2,458,450	$ 3,017,335
Miscellaneous	-	-	64,309	64,309
Total Operating Revenues	142,345	113,287	2,522,759	3,081,644
Operating Expenses				
Auto Expenses	-	-	13,039	13,039
Administrative	16,814	10,477	-	35,599
Board Expenses	-	-	5,500	5,500
Dues and Subscriptions	-	-	1,770	1,770
Insurance	-	-	182,059	182,059
Legal Expenses	-	-	12,441	12,441
Minor Equipment	-	-	32,196	32,196
Miscellaneous Expense	-	-	171,197	171,197
Postage and Delivery	-	-	6,591	6,591
Wages	-	-	556,924	556,924
Plant Expense	-	-	175,296	175,296
Publishing and Advertising	-	-	1,331	1,331
Repairs and Maintenance	-	-	587,177	587,177
Snow Removal	-	-	8,874	8,874
Supplies	-	-	4,075	4,075
Taxes - Payroll	-	-	43,370	43,370
Retirement	-	-	117,207	117,207
Telephone	-	-	21,348	21,348
Utilities	-	-	183,935	183,935
Depreciation	483,561	293,104	398,909	1,748,943
Total Operating Expenses	500,375	303,581	2,525,504	3,911,137
Operating Income (Loss)	(358,030)	(190,294)	(2,745)	(829,493)
Nonoperating Revenues (Expenses)				
Property, Sales, and Use Taxes	-	-	297,651	297,651
Interest Income	9,335	486	202,676	246,077
Interest Expense	(189,922)	(100,206)	-	(1,172,330)
Transfers In/(Out)	-	136	19,643	-
Total Nonoperating Revenues (Expenses)	(180,587)	(99,584)	519,970	(628,602)
Change in Net Position	(538,617)	(289,878)	517,225	(1,458,095)
Net Position - Beginning	3,855,610	3,486,471	12,258,794	24,559,417
Net Position - Ending	$ 3,316,993	$ 3,196,593	$ 12,776,019	$ 23,101,322

North Lake Recreational Sewer and Water District
Statement of Cash Flow - By Project
For the Year Ended November 30, 2024

	Mountain Meadows	Lake Cascade Ranch	Daystar Water
Cash Flows From Operating Activities			
Receipts from Customers	$ -	$ -	$ -
Payments to Employees for Services	-	-	-
Payments to Suppliers of Goods or Services	-	-	-
Net Cash Provided (Used) by Operating Activities	-	-	-
Cash Flows From Noncapital Financing Activities			
Property Taxes	-	-	-
Transfers In (Out)	-	-	(19,779)
Net Cash Provided (Used) by Noncapital Financing Activities	-	-	(19,779)
Cash Flows From Capital and Related Financing Activities			
Purchases of Property and Equipment	-	-	-
Principal Paid on Capital Debt	-	-	-
Interest Paid on Capital Debt	-	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	-	-	-
Cash Flows From Investing Activities			
Interest Received	-	-	-
Net Increase (Decrease) in Cash and Cash Equivalents	-	-	(19,779)
Cash and Cash Equivalents, Beginning	-	-	19,779
Cash and Cash Equivalents, Ending	$ -	$ -	$ -
Displayed As:			
Cash and Cash Equivalents	$ -	$ -	$ -
Restricted Assets	-	-	-
	$ -	$ -	$ -

North Lake Recreational Sewer and Water District
Statement of Cash Flow - By Project (continued)
For the Year Ended November 30, 2024

	Tamarack I	Wagon Wheel	Tamarack II	Tamarack Water
Cash Flows From Operating Activities				
Receipts from Customers	$ 355,240	$ 10,730	$ 183,687	$ 754,678
Payments to Employees for Services	-	-	-	-
Payments to Suppliers of Goods or Services	(5,200)	-	(3,108)	-
Net Cash Provided (Used) by Operating Activities	350,040	10,730	180,579	754,678
Cash Flows From Noncapital Financing Activities				
Property Taxes	-	-	-	-
Net Cash Provided (Used) by Noncapital Financing Activities	-	-	-	-
Cash Flows From Capital and Related Financing Activities				
Purchases of Property and Equipment	-	-	-	-
Principal Paid on Capital Debt	(294,135)	-	(198,669)	(95,000)
Interest Paid on Capital Debt	(55,909)	-	(8,631)	(825,189)
Net Cash Provided (Used) by Capital and Related Financing Activities	(350,044)	-	(207,300)	(920,189)
Cash Flows From Investing Activities				
Interest Received	4	(61)	21,756	11,881
Net Increase (Decrease) in Cash and Cash Equivalents	-	10,669	(4,965)	(153,630)
Cash and Cash Equivalents, Beginning	56	2,297	135,449	904,424
Cash and Cash Equivalents, Ending	$ 56	$ 12,966	$ 130,484	$ 750,794
Displayed As:				
Cash and Cash Equivalents	$ 56	$ 12,966	$ 130,484	$ 15
Restricted Assets	-	-	-	750,779
	$ 56	$ 12,966	$ 130,484	$ 750,794

North Lake Recreational Sewer and Water District
Statement of Cash Flow - By Project (continued)
For the Year Ended November 30, 2024

	Tamarack Phase III	West Side Construction	O&M	Total
Cash Flows From Operating Activities				
Receipts from Customers	$ 590,469	$ 367,504	$ 2,448,203	$ 4,710,511
Payments to Employees for Services	-	-	(560,959)	(560,959)
Payments to Suppliers of Goods or Services	(16,814)	(10,477)	(1,469,384)	(1,504,983)
Net Cash Provided (Used) by Operating Activities	573,655	357,027	417,860	2,644,569
Cash Flows From Noncapital Financing Activities				
Property Taxes	-	-	297,651	277,872
Transfers In (Out)	-	136	19,643	19,779
Net Cash Provided (Used) by Noncapital Financing Activities	-	136	317,294	297,651
Cash Flows From Capital and Related Financing Activities				
Purchases of Property and Equipment	-	-	(1,165,679)	(1,165,679)
Principal Paid on Capital Debt	(393,068)	(267,891)	(89,354)	(1,338,117)
Interest Paid on Capital Debt	(189,922)	(102,885)	(1,229)	(1,183,765)
Net Cash Provided (Used) by Capital and Related Financing Activities	(582,990)	(370,776)	(1,072,841)	(3,504,140)
Cash Flows From Investing Activities				
Interest Received	9,335	486	202,676	246,077
Net Increase (Decrease) in Cash and Cash Equivalents	-	(13,127)	(135,011)	(315,843)
Cash and Cash Equivalents, Beginning	-	1,066,083	6,850,246	8,978,334
Cash and Cash Equivalents, Ending	$ -	$ 1,052,956	$ 6,715,235	$ 8,662,491
Displayed As:				
Cash and Cash Equivalents	$ -	$ 1,052,956	$ 6,715,235	$ 7,911,712
Restricted Assets	-	-	-	750,779
	$ -	$ 1,052,956	$ 6,715,235	$ 8,662,491

North Lake Recreational Sewer and Water District
Statement of Cash Flows - By Project (continued)
For the Year Ended November 30, 2024

	Mountain Meadows	Lake Cascade Ranch	Daystar Water
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	$ (11,787)	$ (4,090)	$ (15,604)
Adjustment to Reconcile Operating Income (Loss) to Net Income Provided (Used) by Operating Activities:			
Depreciation and Amortization	11,787	4,090	15,604
(Increase) Decrease in Accounts Receivable	-	-	-
(Increase) Decrease in Accounts Receivable-LID	-	-	-
(Increase) Decrease in Prepaids	-	-	-
Increase (Decrease) in Accounts Payable	-	-	-
Increase (Decrease) in Unearned Revenue	-	-	-
Increase (Decrease) in Accrued Payroll and Benefits	-	-	-
Net Cash Provided (Used) by Operating Activities	$ -	$ -	$ -

North Lake Recreational Sewer and Water District
Statement of Cash Flows - By Project (continued)
For the Year Ended November 30, 2024

	Tamarack I	Wagon Wheel	Tamarack II	Tamarack Water
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating Income (Loss)	$ (126,651)	$ 70	$ (75,800)	$ (44,562)
Adjustment to Reconcile Operating Income (Loss) to Net Income Provided (Used) by Operating Activities:				
Depreciation and Amortization	193,449	10,984	111,238	226,217
(Increase) Decrease in Accounts Receivable	(5,603)	(396)	(1,346)	(2,971)
(Increase) Decrease in Accounts Receivable-LID	288,845	(72)	146,487	575,994
(Increase) Decrease in Prepaids	-	-	-	-
Increase (Decrease) in Accounts Payable	-	-	-	-
Increase (Decrease) in Unearned Revenue	-	144	-	-
Increase (Decrease) in Accrued Payroll and Benefits	-	-	-	-
Net Cash Provided (Used) by Operating Activities	$ 350,040	$ 10,730	$ 180,579	$ 754,678

North Lake Recreational Sewer and Water District
Statement of Cash Flows - By Project (continued)
For the Year Ended November 30, 2024

	Tamarack Phase III	West Side	O&M	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating Income (Loss)	$ (358,030)	$ (190,294)	$ (2,745)	$ (829,493)
Adjustment to Reconcile Operating Income (Loss) to Net Income Provided (Used) by Operating Activities:				
Depreciation and Amortization	483,561	293,104	398,909	1,748,943
(Increase) Decrease in Accounts Receivable	6	(3,600)	(9,284)	(23,194)
(Increase) Decrease in Accounts Receivable-LID	448,118	275,375	-	1,734,747
(Increase) Decrease in Prepaids	-	-	21,351	21,351
Increase (Decrease) in Accounts Payable	-	-	33,301	33,301
Increase (Decrease) in Unearned Revenue	-	(17,558)	(65,272)	(82,686)
Increase (Decrease) in Accrued Payroll and Benefits	-	-	41,600	41,600
Net Cash Provided (Used) by Operating Activities	$ 573,655	$ 357,027	$ 417,860	$ 2,644,569

FEDERAL REPORTS

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Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Board of Directors
North Lake Recreational Sewer and Water District
Donnelly, 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 business-type activities and the fund information of North Lake Recreational Sewer and Water District, as of and for the year ended November 30, 2024, and the related notes to the financial statements, which collectively comprise North Lake Recreational Sewer and Water District's basic financial statements, and have issued our report thereon dated May 28, 2025.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered North Lake Recreational Sewer and Water District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of North Lake Recreational Sewer and Water District's internal control. Accordingly, we do not express an opinion on the effectiveness of North Lake Recreational Sewer and Water District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether North Lake Recreational Sewer and Water District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Zwygart John and Associates CPAs, PLLC

Nampa, Idaho
May 28, 2025