FILER COMMUNITY RECREATION DISTRICT
FILER , IDAHO
FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Filer Community Recreation District
Filer, Idaho 83328

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, and each major fund, of the Filer Community Recreation District, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Filer Community Recreation District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Filer Community Recreation District, as of September 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Filer Community Recreation District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Filer Community Recreation 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 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 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 Filer Community Recreation 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 Filer Community Recreation District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 11, 2025, on our consideration of the Filer Community Recreation District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Filer Community Recreation District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Filer Community Recreation District's internal control over financial reporting and compliance.

Sincerely,

Sincerely,

Mahlke Hunsaker & Co.

MAHLKE HUNSAKER & COMPANY, pllc
Twin Falls, Idaho
July 11, 2025

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FILER COMMUNITY RECREATION DISTRICT
FILER, IDAHO
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUND BALANCE SHEET
SEPTEMBER 30, 2024
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Governmental Funds Governmental Activities	Adjustments	Statement of Net Position	2023 (Memorandum Only)
ASSETS:				
Cash and Equivalents	$ 59,055	$ -	$ 59,055	$ 38,230
Prepaid Insurance	-	-	-	-
Receivables				
Property Taxes	3,904	-	3,904	4,172
Revenue in Lieu of Property Tax Receivable	561	-	561	561
Sales Tax	4,321	-	4,321	4,288
Due from Other Governments	494	-	494	494
Equipment - Net of Depreciation	-	5,549	5,549	6,502
Leasehold Improvements - Net of Depreciation	-	102,285	102,285	107,622
Total Assets	$ 68,335	$ 107,834	$ 176,169	$ 161,869
LIABILITIES:				
Accounts Payable	$ 5,013	$ -	$ 5,013	$ 6,783
Sales Tax Payable	2,316	-	2,316	1,089
Payroll Tax Payable	7,419	-	7,419	7,459
Wages Payable	-	-	-	
Total Liabilities	14,748	-	14,748	15,331
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Taxes	3,626	(3,626)	-	-
FUND BALANCE/NET POSITION:				
Fund Balance:				
Nonspendable	-	-		
Unassigned	49,961	(49,961)		
Total Fund Equity	49,961	(49,961)		
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 68,335			
NET POSITION:				
Net Investment in Capital Assets		114,124	107,834	114,124
Unrestricted		47,297	53,587	32,414
Total Net Position		$ 161,421	$ 161,421	$ 146,538

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

FILER COMMUNITY RECREATION DISTRICT
FILER, IDAHO
STATEMENT OF ACTIVITIES AND
GOVERNMENTAL FUND REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Governmental Funds			2023
	General Fund	Adjustments	Statement of Activities	(Memorandum Only)
EXPENDITURES/EXPENSES:				
Wages	109,432	$ -	$ 109,432	$ 105,136
Pool Expense	22,070	-	22,070	31,160
Other Program Expense	53,598	(6,621)	46,977	72,789
Insurance	4,858	-	4,858	6,007
Professional Fees	17,270	-	17,270	8,980
Utilities	6,557	-	6,557	12,658
Repairs & Maintenance	18,206	-	18,206	33,670
Rent	502	-	502	332
Payroll Taxes	11,008	-	11,008	8,314
Advertising	1,311	-	1,311	687
Office Supplies	2,343	-	2,343	3,110
Depreciation	-	12,911	12,911	12,974
Total Expenditures	247,155	6,290	253,445	295,817
PROGRAM REVENUES:				
Pool Receipts	32,838	-	32,838	29,534
Concessions, net	837	-	837	1,479
Program Revenues	46,048	-	46,048	29,336
Total Program Revenue	79,723	-	79,723	60,349
Net Program Expense	167,432	6,290	173,722	235,468
GENERAL REVENUES:				
Property Tax	167,631	193	167,824	166,598
Revenue in Lieu of Property Tax	2,243	-	2,243	2,243
Sales Tax	16,257	-	16,257	17,007
Earnings on Investments	51	-	51	122
Miscellaneous Revenue	2,230	-	2,230	4,654
Total General Revenue	188,412	193	188,605	190,624
Change in Fund Balance/Net Position	20,980	(6,097)	14,883	(44,844)
FUND BALANCE/NET POSITION:				
Beginning of Year	28,981	117,557	146,538	191,382
End of Year	$ 49,961	$ 111,460	$ 161,421	$ 146,538

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

FILER COMMUNITY RECREATION DISTRICT
FILER, IDAHO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	2024		Variance
	Original/Final Budget	Actual (Budget Basis)	Favorable (Unfavorable)
REVENUES:			
Property Tax	$ 171,813	$ 167,631	$ (4,182)
Revenue in Lieu of Property Tax	3,644	2,243	(1,401)
Sales Tax	-	16,257	16,257
Earnings on Investments	-	51	51
Pool Receipts	-	32,838	32,838
Concessions, net	3,000	837	(2,163)
Program Revenues	60,000	46,048	(13,952)
Miscellaneous Revenue	500	2,230	1,730
Total General Revenues	238,957	268,135	29,178
EXPENDITURES:			
Wages	105,000	109,432	(4,432)
Pool Expense	12,500	22,070	(9,570)
Other Program Expense	58,000	53,598	4,402
Insurance	8,500	4,858	3,642
Professional Fees	14,000	17,270	(3,270)
Utilities	12,500	6,557	5,943
Repairs & Maintenance	25,000	18,206	6,794
Rent	-	502	(502)
Payroll Taxes	10,500	11,008	(508)
Advertising	1,000	1,311	(311)
Office Supplies	3,500	2,343	1,157
Capital Outlay	44,328	-	44,328
Total Expenditures	294,828	247,155	47,673
Change in Fund Balance	(55,871)	20,980	76,851
Fund Balance - Beginning of Year	28,981	28,981	-
Fund Balance - End of Year	$ (26,890)	$ 49,961	$ 76,851

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Filer Community Recreation District (the "District") is a Recreation District consisting of patrons from portions of Twin Falls County. The Board of Directors (the "Board"), a three-member group constituting an on-going entity, is the level of government, which has governance responsibilities over all recreational activities within the jurisdiction of the local independent recreation district. The Board receives funding from local and state government sources and must comply with the requirements of these funding source entities.

Reporting Entity

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading. The primary government of Filer Community Recreation District consists of all funds, departments, boards, and agencies that are not legally separate from the District. For Filer Community Recreation District this includes general operations.

The accompanying financial statements present the financial position and results of operations of the applicable funds controlled by or dependent upon the District. In evaluating the District as a reporting entity, management has considered all potential component units for which the District may or may not be financially accountable and, as such, would be includable within the District's financial statements. No component units exist which would require inclusion in the District's financial statements.

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

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the activities of the District. The District only has governmental activity and does not engage in any business-type activity. Direct expenses are those that are clearly identifiable with a specific function or segment. General revenues include ad valorem taxes and interest income. Fund financial statements are presented for the District's general fund.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements for a particular function. Taxes and other items not properly included among program revenues are reported as *general revenues.*

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting.* Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Property taxes, franchise taxes, licenses, and interest revenue associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the district.

The District reports the General Fund as a major governmental fund. The General Fund is the general operating fund of the District and is used to account for all financial resources, except for those required to be accounted for in another fund.

Program revenues are 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues, rather than as program revenues. Likewise, *general revenues* include all taxes.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed. For unrestricted resources, the District considers that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Assets, Liabilities, Deferred Inflows of Resources and Net Position or Equity

Cash and Cash Equivalents

The District'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 to acquisition. State statutes authorize the District to invest any available funds in obligations issued or guaranteed by the U.S. Treasury, the State of Idaho, local Idaho municipalities and taxing districts, the Farm Credit System, or Idaho public corporations, as well as time deposit accounts and repurchase agreements.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

Prepaids
Prepaids represent payments made to vendors for services that will benefit beyond September 30, 2024.

Receivables
Receivables consist of amounts due for property taxes, sales taxes, etc. No allowance for uncollectible property taxes has been accrued. The District feels property taxes are ultimately collectible through property liens and/or forced sales and any amounts not collected are immaterial to the financial statements taken as a whole.

Capital Assets
Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than $1,000 and an estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The District has elected not to capitalize infrastructure.

Property, plant, and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Equipment and Improvements	5-30

Compensated Absences
The District does not provide compensated absences to any of their employees.

Deferred Inflows of Resources
In addition to liabilities, the statement of financial position will sometimes report a separate section of 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. The District has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

Fund Balance

Fund Equity and Fund Balance Classifications

Fund equity at the governmental fund financial reporting level is classified as "fund balance." Fund equity for all other reporting is classified as "net position."

Governmental Fund Balances
Generally, governmental fund balances represent the difference between the current assets and deferred outflows of resources, and current liabilities and deferred inflows of resources. Governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in those resources can be spent. Fund balances are classified as follows:

Nonspendable Fund Balance - Includes amounts that cannot be spent because they are not in spendable form, or they are legally or contractually required to be maintained intact. This classification includes inventories, prepaid amounts, assets held for sale, and long-term receivables.

Restricted Fund Balance – Constraints placed on the use of these resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or other governments; or are imposed by law (through constitutional provisions or enabling legislation.

Committed Fund Balance - Amounts that can only be used for specific purposes because of a formal action (resolution or ordinance) by the District's highest level of decision-making authority, the District Council.

Assigned Fund Balance - consists of amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the District Council.

Unassigned Fund Balance - consists of any remaining fund balance that has not been reported in any other classification.

For the purposes of fund balance classification, the District's policy is to have expenditures spent from the restricted fund balances first, followed in order by committed fund balance (if any), assigned fund balance (if any) and last unassigned fund balance.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets consists of cost of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. This net investment in capital assets amount also is adjusted by any bond issuance deferral amounts. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is reported as unrestricted. The District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Estimates

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

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. All annual appropriations lapse at fiscal year-end. Project-length financial plans are adopted for all capital project funds. All annual appropriations lapse at fiscal year-end.

The Board of Directors follow these procedures in establishing the budgetary data reflected in the financial statements:

1. At least 28 days prior to the levy election, the District publishes a proposed budget for public review.
2. Public hearings are set to obtain taxpayers comments.
3. At least 14 days prior to the levy election, the final budget is adopted by resolution of the board and published.
4. Prior to September 7, the final budget is filed with the county commissioners.
5. At least 120 days prior to the close of the fiscal year, a revised budget is prepared, adopted, and published reflecting updated information received through that date. This is also filed with the county.

For the year ended September 30, 2024, expenditures did not exceed appropriations.

NOTE 3: RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Reconciliation of Certain Differences Between Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position

One element of the reconciliation is the inclusion of general fixed assets net of depreciation and related debt in the statement of net position. The governmental fund balance sheet reports revenue not collected within 60 days as deferred inflows. On the government-wide statements, this revenue is accrued to the statement of activities and, therefore, must be removed from the statement of net position.

The detail of these differences is as follows:

Fund Balance-Governmental Fund		$ 49,961
General Fixed Assets-net of depreciation	$107,834	
Deferred Inflows of Resources-unavailable revenue-property taxes	3,626	
Net adjustment to increase *fund balance* – governmental funds to *arrive at net position* – governmental activities		111,460
Net Position – Governmental Activities		$ 161,421

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. The governmental fund balance sheet reports revenue not collected within 60 days as deferred inflows. On the government-wide statements, the current portion of this revenue is accrued to the statement of activities. Repayment of debt principal is an expenditure of the current period in governmental funds, while on the government-wide statements, debt payments are treated as a reduction of liabilities. When assets are sold, the proceeds from the sale increase financial resources in governmental funds, while in government-wide statements, the sale of assts results in a net gain or a net loss.

The detail of these differences are as follows:

Change in Fund Balance – Governmental Fund		$ 20,980
Depreciation	$(12,911)	
Purchase of Fixed Assets	6,621	
Deferred Inflows of Resources -*unavailable revenue – property taxes*	193	
Net adjustment to increase changes in *fund balance – total governmental funds to arrive at changes in net position – governmental activities*		(6,097)
Change in Net Position – Statement of Activities		$(14,883)

NOTE 4: DETAILED NOTES ON ALL FUNDS

Cash and Cash Equivalents

Following is a summary of the District's deposit and investment balances as of September 30, 2024:

	Balances
Bank Deposits	$ 48,505
Petty Cash	400
Savings Account	10,150
Total	$ 59,055

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. As of September 30, 2024, none of the District's Bank balances of $ 38,030 was exposed to custodial credit risk because the balances were covered by federal depository insurance.

At year end, the District had no investments.

Capital Assets

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

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental Activities:				
Capital Assets being Depreciated:				
Equipment	$ 42,343	$ -	$ -	$ 42,343
Leasehold Improvements	285,279	6,621	-	291,900
Total Capital Assets being Depreciated	327,622	6,621	-	334,243
Less Accumulated Depreciation:				
Equipment	(35,841)	(953)		(36,794)
Leasehold Improvements	(177,657)	(11,958)	-	(189,615)
Total Accumulated Depreciation	(213,498)	(12,911)	-	(226,409)
Total Capital Assets being Depreciated, net	$ 114,124	$ (6,290)	$ -	$ 107,834

NOTE 4: DETAILED NOTES ON ALL FUNDS-continued

Property Tax

The District's property tax is levied each October on the value listed as of the prior January 1 for all real property located in the District. The lien date is effective January 1 of the year the property tax is levied. A Revaluation of all property is required to be complete no less than every five years.

Under Idaho Code Section 31-4318, the District's maintenance and operation levy may not exceed .06% of the actual or adjusted market value for assessment purposes as of December 31 of the previous year. Taxes are due in two equal installments on December 20 and June 20 following the levy date. Property taxes levied for 2019 are recorded as receivables if uncollected and a deferred inflow amount is recorded, in the fund financial statements, to the extent of taxes not estimated to be collected within 60 days of the end of the accounting period.

Fund Balance Constraints

The constraints on fund balance as listed in aggregate in the Statement of Revenues, Expenditures, and Changes in Fund Balance are detailed according to balance classification and fund.

	General Fund
Fund Balances:	
Unassigned:	$ 49,961
Total Fund Balance	$ 49,961

NOTE 5: LEASE AGREEMENT

City of Filer

Filer Community Recreation District entered into a ninety-nine-year lease agreement with the City of Filer for real property. Rent for premises will be one dollar per year. The property is the site for the swimming pool, tennis courts, baseball diamonds, basketball courts and parks. The lease is set to expire in July 2073.

NOTE 6: RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the District carries commercial insurance. Amounts of settlements have not exceeded insurance coverage in the past three years.

NOTE 7: SUBSEQUENT EVENTS

The District has evaluated subsequent events through July 11, 2025, the date the financial statements were available to be issued.

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

To the Board of Directors
Filer Community Recreation District
Filer, Idaho 83328

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 of the Filer Community Recreation District as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated July 11, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Filer Community Recreation District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Filer Community Recreation District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Filer Community Recreation District's internal control.

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

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

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Report on Compliance and Other Matters

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

Purpose of This Report

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

Sincerely,

Mahlke Hunsaker & Co.

MAHLKE HUNSAKER & COMPANY, pllc
Twin Falls, Idaho
July 11, 2025

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