Financial Statements
September 30, 2024

Wendell Recreation District

Wendell Recreation District
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Independent Auditor's Report

The Board of Directors
Wendell Recreation District
Wendell, Idaho

Report on the Audit of the Financial Statements

Opinions

We have audited the cash basis financial statements of the governmental activities and the general fund of Wendell Recreation District (the District), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities and the general fund of the District as of September 30, 2024, and the respective changes in cash basis financial position for the year then ended in accordance with the cash basis of accounting described in Note 1.

Basis for Opinions

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

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 of the financial statements which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 1; and for determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The budgetary comparison schedule – cash basis – general fund is presented for purposes of additional analysis and is not a required part of

the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison information is fairly stated, in all material respects, in relation to the basic financial statements as a whole on the basis of accounting described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated February 17, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Eide Bailly LLP

Twin Falls, Idaho
February 17, 2025

Wendell Recreation District

Statement of Net Position and Governmental Fund Balance Sheet – Cash Basis

September 30, 2024

	Governmental Fund		
	General Fund	Adjustments	Statement of Net Position
Assets			
Cash and equivalents	$ 140,888	$ -	$ 140,888
Total assets	$ 140,888	$ -	$ 140,888
Fund Balance/Net Position			
Fund balance			
Unassigned	$ 140,888	$ (140,888)	
Total fund balance	$ 140,888	(140,888)	
Net Position			
Unrestricted		140,888	$ 140,888
Total net position		$ 140,888	$ 140,888

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

Wendell Recreation District

Statement of Activities and Governmental Fund Receipts, Disbursements, and Changes in Fund Balances – Cash Basis

Year Ended September 30, 2024

	Governmental Fund General Fund	Adjustments	Statement of Activities
Cash Disbursements			
Labor	$ 64,049	$ -	$ 64,049
Payroll taxes	5,003	-	5,003
Workers compensation	1,090	-	1,090
Insurance	3,629	-	3,629
Rent	224	-	224
Utilities	15,679	-	15,679
Repairs and maintenance	23,866	-	23,866
Swimming pool disbursements and supplies	36,650	-	36,650
Other programs	27,894	-	27,894
Gas and oil	1,518	-	1,518
Professional fees	20,500	-	20,500
Miscellaneous disbursements	8,161	-	8,161
Investment purchase	4,027	-	4,027
Capital outlay	47,247	-	47,247
Total cash disbursements	259,537	-	259,537
Program Cash Receipts			
Swimming pool receipts	31,636	-	31,636
Other program receipts	32,386	-	32,386
Total program cash receipts	64,022	-	64,022
Net Program Disbursement	195,515	-	195,515
General Receipts			
Property taxes	172,891	-	172,891
Sales tax	19,085	-	19,085
Ag exemption replacement	9,039	-	9,039
Miscellaneous receipts	1,240	-	1,240
Total general receipts	202,255	-	202,255
Excess Receipts Over (Under) Disbursements	6,740	(6,740)	-
Increase in Net Position	-	6,740	6,740
Fund Balance/Net Position			
Beginning of Year	134,148	-	134,148
End of the Year	$ 140,888	$ -	$ 140,888

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

Note 1 - Summary of Significant Accounting Policies

Reporting Entity

The Wendell Recreation District (the District) is a recreation district consisting of patrons from the Wendell area. The Board of Directors (the Board), a three-member group constituting an on-going entity, is the level of government that has governance responsibilities over all 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 concomitant requirements of these funding source entities. However, the Board is not included in any other governmental "reporting entity" as defined in Section 2100, Codification of Governmental Accounting and Financial Reporting Standards, since the Board members are elected by the public and have decision making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters.

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 of the nonfiduciary activities of the governmental entity. Normally governmental entities are grouped into one governmental fund for financial statement presentation purposes. The District has only one fund.

The statement of activities demonstrates the degree to which the direct disbursements of a given function are offset by program receipts. Direct disbursements are those that are clearly identifiable with a specific function. Program receipts include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function; 2) grants and contributions that are restricted to meeting the operational requirements of a particular function and 3) capital grants and contributions, including special assessments. Taxes and other items not properly included among program receipts are reported instead as general receipts.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide and governmental fund financial statements are presented in accordance with the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) as established by the Governmental Accounting Standards Board. This basis of accounting involves the reporting of only cash and cash equivalents and the changes therein resulting from cash inflows (cash receipts) and cash outflows (cash disbursements) reported in the period in which they occurred.

This cash basis of accounting differs from GAAP primarily because revenues (cash receipts) are recognized when received in cash rather than when earned and susceptible to accrual, and expenditures or expenses (cash disbursements) are recognized when paid rather than when incurred or subject to accrual. As a result, only cash and cash equivalents and related net position or fund balances arising from cash transactions are reported in the statements of net position and balance sheet. All other economic assets, deferred outflows of resources, liabilities, and deferred inflows of resources that would be reported in GAAP basis financial statements are not reported in this cash basis presentation.

The District reports the following major governmental fund:

General Fund – The general fund is the District's primary operating fund. It accounts for all financial resources of the general government.

Amounts reported as program receipts include 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 receipts rather than as program receipts. Likewise, general receipts include all taxes.

Fund balance classifications are hierarchical and are based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the funds may be spent. The District classifies and reports amounts in the appropriate fund balance classifications. The District's accounting and finance policies are used to interpret the nature and/or requirements of the funds and their corresponding assignment of restricted, committed, assigned, or unassigned. The District permits funds to be expended in the following order: Restricted, Committed, Assigned and Unassigned.

The District reports the following classification:

Unassigned Fund Balance—Unassigned fund balance is the residual classification for the General Fund. This classification represents General Fund balance that has not been restricted, committed, or assigned to specific purposes within the General Fund.

Deposits

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 of acquisition.

State statute authorizes the District to invest in any securities of the state or the United States or in time certificates of deposit of authorized public depositories.

Note 2 - Stewardship, Compliance, and Accountability

Budgetary Information

Annual budgets are adopted on a basis consistent with the cash basis of accounting for the general fund. All annual appropriations lapse at fiscal year-end.

The Board follows 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 1, the final budget is filed with Gooding County.
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.

Fund	Budgeted Appropriations (Disbursements)
General	$ 284,650

Uncommitted appropriations lapse at year-end and commitments are appropriated in the next year's budget. Expenditures were less than appropriations by $25,113 for fiscal year 2024.

Note 3 - Detailed Notes

Deposits and Investments

The following is a summary of the District's bank deposits as of September 30, 2024:

Cash and Investments	Bank Balance	Book Balance
Bank Deposits - Insured	$ 146,712	$ 140,888
Certificates of deposit-insured	102,444	-
Total	$ 249,156	$ 140,888

Custodial Credit Risk – Deposits - Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. As of September 30, 2024, $0 of the District's bank balances of $249,156 were exposed to custodial credit risk because they were uninsured and uncollateralized.

Certificates of Deposit -The Certificates of deposit are considered investments due to the original maturities exceeding three months for the date of acquisition. As they are not considered cash, they are not included in the statement of net position or the governmental balance sheet which is presented on the cash basis.

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 completed no less than every five years.

Under Idaho Code §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. The District's actual levy was .000216123% of the total District adjusted market valuation.

Taxes are due in two equal installments on December 20 and June 20 following the levy date. The county provides tax settlements to the District in monthly settlements.

Note 4 - Other Information

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.

Supplementary Information
September 30, 2024

Wendell Recreation District

Wendell Recreation District
Budgetary Comparison Schedule – Cash Basis – General Fund
Year Ended September 30, 2024

	2024		Variance
	Original/Final Budget	Actual (Budget Basis)	Favorable (Unfavorable)
Receipts			
Property taxes	$ 173,541	$ 172,891	$ (650)
Sales tax	16,500	19,085	2,585
Ag exemption replacement	10,994	9,039	(1,955)
Swimming pool receipts	28,000	31,636	3,636
Other programs	23,500	32,386	8,886
Miscellaneous receipts	2,500	1,240	(1,260)
Total receipts	255,035	266,277	11,242
Disbursements			
Labor	84,000	64,049	19,951
Payroll taxes	6,500	5,003	1,497
Workers compensation	1,700	1,090	610
Insurance	3,000	3,629	(629)
Rent	1,000	224	776
Utilities	19,500	15,679	3,821
Repairs and maintenance	30,000	23,866	6,134
Swimming pool disbursements and supplies	30,000	36,650	(6,650)
Other programs	30,000	27,894	2,106
Gas and oil	1,950	1,518	432
Professional fees	22,000	20,500	1,500
Miscellaneous disbursements	5,000	8,161	(3,161)
Purchase of investment	-	4,027	(4,027)
Capital outlay	50,000	47,247	2,753
Total disbursements	284,650	259,537	25,113
Excess Receipts Over (Under) Disbursements	$ (29,615)	6,740	$ 36,355
Fund Balance-Beginning of the Year		134,148	
Fund Balance-End of the Year		$ 140,888	

Additional Reports
September 30, 2024

Wendell Recreation District

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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*

The Board of Directors
Wendell Recreation District
Wendell, Idaho

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities and the general fund of the Wendell Recreation District (the District) as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 17, 2025. The financial statements were prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

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

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 District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may

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exist that were not identified. We identified certain deficiencies in internal control, described in the accompany schedule of findings and responses as items 2024-001 and 2024-002 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of 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*.

District's Responses to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Eide Bailly LLP

Twin Falls, Idaho
February 17, 2025

2024-001 Segregation of Duties

Criteria:
A good system of internal control requires an adequate segregation of duties so that no one individual has incompatible responsibilities. No one person should have more than one duty relating to the authorization (approval), custody of assets (check signers), record keeping and reconciliation functions.

Condition:
The District has a lack of segregation of duties in certain areas due to limited staff.

Cause:
There is a limited amount of office employees involved in the internal control process.

Effect:
Inadequate segregation of duties could adversely affect the District's ability to detect misstatements in amounts that would be material in relation to the financial statements in a timely period by employees in the normal course of performing their assigned functions.

Recommendation:
While we recognize that your staff may not be large enough to permit complete segregation of duties in all material respects for an effective system of internal control, the functions should be reviewed to determine if additional segregation of duties is feasible and to improve the efficiency and effectiveness of financial management and financial statement accuracy for the District. Segregation of authorization, custody of assets, record keeping, and reconciliation functions would assist in mitigating the risk of fraud or misstatements to the financial statements.

Views of Responsible Officials:
The District agrees that having an internal control system over financial reporting is an important part of the District's overall internal control process. The District has performed a cost/benefit analysis of implementing these controls and concluded the resources were not in place to effectively implement the necessary changes for the year ended September 30, 2024.

2024-002 Preparation of Financial Statements and Adjustments

Criteria:
A good system of internal accounting control contemplates an adequate system for recording and processing entries material to the financial statements, and the ability to internally prepare their financial statements.

Condition:
The District does not have an internal control system designed to provide for the preparation of the financial statements being audited. The auditors were requested to, and did, draft the District's financial statements and accompanying notes to the financial statements and related adjustments.

Cause:
The District does not have an internal control system designed to provide for the preparation of the financial statements being audited.

Effect:
The financial disclosures in the financial statements could be incomplete.

Recommendation:
This circumstance is not unusual in a District of your size. It is the responsibility of management and those charged with governance to make the decision whether to accept the degree of risk associated with this condition because of cost or other considerations.

Views of Responsible Officials:
The District agrees that having an internal control system over financial reporting is an important part of the District's overall internal control process. The District has performed a cost/benefit analysis of implementing these controls and concluded the resources were not in place to effectively implement the necessary changes for the year ended September 30, 2024.