WESTERN ADA RECREATION DISTRICT

Report on Audited
Basic
Financial Statements
and
Other Information

For the Year Ended September 30, 2024

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Independent Auditor's Report

To the Board of Directors
Western Ada Recreation District

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the fund information of Western Ada 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the fund information of Western Ada Recreation District, as of September 30, 2024, and the respective changes in financial position 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 District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not 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.

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the supplemental schedule of expenditures by object of expenditure – budget and actual but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 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.

Bailey & Co.

Nampa, Idaho
June 15, 2025

Western Ada Recreation District
Statement of Net Position
September 30, 2024

	Governmental Activities
Assets	
Current Assets:	
Cash and Cash Equivalents	$ 173,371
Property Taxes Receivable, Net	44,070
Accounts Receivable, Net	1
Total Assets	217,442
Deferred Outflows	0
Liabilities	
Current Liabilities:	
Accounts Payable	1,264
Deferred Inflows	
Unavailable Property Tax Revenue	24,692
Net Position	
Unrestricted	$ 191,486

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

Western Ada Recreation District
Statement of Activities
For the Year Ended September 30, 2024

	Expenses	Program Revenues: Charges for Services and Sales	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position - Governmental Activities
Governmental Activities:					
General and Administrative	$ 28,963	$ 0	$ 0	$ 0	$ (28,963)
Recreation	472,814	0	0	0	(472,814)
Total Governmental Activities	$ 501,777	$ 0	$ 0	$ 0	(501,777)
General Revenues:					
Property Taxes					196,877
Sales Tax					30,705
Earnings on Investments					262
Other					271
Special Items:					
Loss on Asset Disposals					(3,592,899)
Total General Revenues and Special Items					(3,364,784)
Change in Net Position					(3,866,561)
Net Position, Beginning					4,058,047
Net Position, Ending					$ 191,486

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

Western Ada Recreation District
Balance Sheet -
Governmental Funds
September 30, 2024

	General
Assets	
Cash and Cash Equivalents	$ 173,371
Property Taxes Receivable, Net	44,070
Accounts Receivable, Net	1
Total Assets	217,442
Deferred Outflows	0
Total Assets and Deferred Outflows	$ 217,442
Liabilities	
Accounts Payable	$ 1,264
Deferred Inflows	
Unavailable Property Tax Revenue	43,853
Fund Balances	
Unassigned	172,325
Total Liabilities, Deferred Inflows, and Fund Balances	$ 217,442

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

Western Ada Recreation District
Reconciliation of the Balance Sheet of the
Governmental Funds to the Statement of Net Position
September 30, 2024

Total Fund Balances - Governmental Funds	$	172,325
Amounts reported for governmental activities in the statement of net position are different because of the following:		
On the modified accrual basis, property taxes not collected within sixty days of year-end are not considered available soon enough to pay for current period expenditures and, therefore, are considered deferred inflows in the fund financial statements. Conversely, only revenues that are intended to finance a future period are considered deferred in the government-wide financial statements.		19,161
Total Net Position - Governmental Activities	$	191,486

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

Western Ada Recreation District
Statement of Revenues, Expenditures, and
Changes in Fund Balances -
Governmental Funds
For the Year Ended September 30, 2024

	General
Revenues	
Property Taxes	$ 197,488
Sales Tax	30,705
Earnings on Investments	262
Other	271
Total Revenues	228,726
Expenditures	
Current:	
General and Administrative	28,963
Recreation	315,670
Total Expenditures	344,633
Net Change in Fund Balances	(115,907)
Fund Balances, Beginning	288,232
Fund Balances, Ending	$ 172,325

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

Western Ada Recreation District
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of the
Governmental Funds to the Statement of Activities
For the Year Ended September 30, 2024

Total Net Change in Fund Balance - Governmental Funds		$ (115,907)
Amounts reported for governmental activities in the statement of activities are different because of the following:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their useful lives as depreciation expense. Also, only proceeds on the disposal of capital assets are reported in the governmental funds but in the statement of activities the remaining basis must be written off as well. In the current period these amounts are:		
Depreciation Expense	$ (157,144)	
Disposals of Capital Assets	(3,592,899)	
		(3,750,043)
Because some property taxes will not be collected for several months after the District's fiscal year ends, they are not considered as "available" revenues in the governmental funds and are, instead, counted as deferred inflows. They are, however, recorded as revenues in the statement of activities.		(611)
Change in Net Position of Governmental Activities		$ (3,866,561)

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The accompanying financial statements present the activities of Western Ada Recreation District (the District), which has responsibility over recreational activities within the District. The District may receive funding from local, state, and federal government sources and must comply with all of the requirements of these funding source entities. However, the District is not included in any other governmental 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 by the Governmental Accounting Standards Board.

Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities display information about the financial activities of the District. Eliminations have been made to minimize the double counting of internal activities. Governmental activities generally are financed through intergovernmental revenues and other nonexchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental 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 general government related to the administration and support of the District's programs, such as personnel and accounting (but not interest on long-term debt), are allocated to programs based on their percentage of total primary government expenses. Interest expenses are allocated to the programs that manage the capital assets financed with long-term debt.
- 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. Revenues that are not classified as program revenues, including all taxes and state formula aid, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the District's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. If applicable, all remaining governmental funds would be aggregated and reported as nonmajor funds. The District reports one governmental fund as no other funds are necessary or required.

Basis of Accounting

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 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, sales tax, grants, and donations. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if they are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

incurred, except for principal and interest on general long-term debt, and claims and judgments, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term liabilities and acquisitions under leases are reported as other financing sources.

Fund Balance Reporting and Governmental Funds

Different measurement focuses and bases of accounting are used in the government-wide statement of net position and in the governmental fund balance sheet.

The District may use the following fund balance categories in the governmental fund balance sheet:

- *Nonspendable.* Balances, for example, in permanent funds, prepaid expenditures and inventories that are permanently precluded from conversion to cash.
- *Restricted.* Amounts that can be spent only for the specific purposes stipulated by external parties, or constitutionally, or through enabling legislation.
- *Committed.* Amounts that can be used only for specific purposes determined by a formal action of the Board of Directors. Commitments may be changed or lifted only by referring to the resolution that imposed the constraint originally.
- *Assigned.* Amounts intended to be used by the District for specific purposes. Intent can be expressed by the Board of Directors or by a designee to whom the governing body delegates the authority.
- *Unassigned.* Balances available for any purpose.

Under the terms of grant agreements, the District may fund certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus when program expenses are incurred, there could be both restricted and unrestricted net position/fund balance available to finance the program. 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.

It is the District's policy that when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used, the District considers committed amounts to be reduced first, followed by assigned amounts, and then unassigned amounts.

Cash and Cash Equivalents and Investments

The District's cash and cash equivalents are generally considered short-term, highly liquid investments with a maturity of three months or less from the purchase date.

Idaho Code authorizes the District to invest any available funds in obligations issued or guaranteed by the United States 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.

If the District had any investments, they would be stated at fair value as determined by the fair value hierarchy, except certificates of deposit and bank acceptances (which are non-participating contracts and are, therefore, carried at amortized cost).

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 government-wide statements are shown below:

	Capitalization Policy	Depreciation Method	Estimated Useful Life
Buildings and Improvements	$ 5,000	Straight-Line	15-40 Years
Equipment	$ 5,000	Straight-Line	5-30 Years

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

The District has no capital assets remaining at year-end that meet the District's capitalization threshold.

Accounts Receivable

The District considers all accounts collectible. Therefore, the allowance for doubtful accounts is zero.

Accounts Payable

Accounts payable represent debts that will be paid in the next billing cycle. Accounts payable are not over 60 days past due.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. CASH AND INVESTMENTS

Deposits

As of September 30, 2024, the carrying amount of the District's bank deposits was $173,371 and the respective bank balance totaled $174,619.

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. The District does not have a formal policy limiting its exposure to custodial credit risk for deposits. As of September 30, 2024, all of the District's deposits were covered by the 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.

Custodial Credit Risk – Investments

Credit risk is the risk that an issuer or other counter party to an investment will not fulfill its obligations. The District policy is to limit its exposure to custodial credit risk for investments by diversifying the investments. As of September 30, 2024, the District held no investments.

2. CASH AND INVESTMENTS (continued)

Interest Rate Risk

The District's policy to mitigate interest rate risk is to limit investment maturities in order to meet cash requirements for ongoing operations by investing a portion of operating funds in short-term securities.

3. RISK MANAGEMENT

The District is exposed to a number of risks of loss including, but not limited to, a) damage to and loss of property and contents, b) professional liabilities, i.e., errors and omissions, and c) environmental damage. Commercial insurance policies are purchased to transfer the risk of loss.

4. CAPITAL ASSETS

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

	Balance 10/02/2023	Additions	Disposals	Balance 09/30/2024
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	$ 14,291	$ 0	$ (14,291)	$ 0
Capital Assets Being Depreciated:				
Buildings and Improvements	4,466,399	0	(4,466,399)	0
Equipment	174,450	0	(174,450)	0
Total Depreciable Assets	4,640,849	0	(4,640,849)	0
Less: Accumulated Depreciation				
Buildings and Improvements	755,346	150,034	(905,380)	0
Equipment	149,751	7,110	(156,861)	0
Total Accumulated Depreciation	905,097	157,144	(1,062,241)	0
Governmental Activities - Net	$ 3,750,043	$ (157,144)	$ (3,592,899)	$ 0

Depreciation expense was charged to the functions of the District as follows:

Governmental Activities:	
Recreation	$ 157,144

5. PROPERTY TAXES

The District’s property taxes are levied on or before the third Monday in September and billed to taxpayers in November. The taxes are due in two installments. One half of the property taxes are due on December 20. The remainder is due the following June 20. Property taxes not paid constitute a lien on the property when entered on the real property assessment role as delinquent on the first day of January of the succeeding year.

5. PROPERTY TAXES (continued)

In the fund financial statements, property taxes collected within sixty days of year end are recognized as revenue. Delinquent taxes receivable not collected within the sixty-day period are recorded as deferred inflows in the fund financial statements. In addition, the levy for the current year is intended to finance operations in the next year, so the current year levy is also a deferred inflow in the government-wide statements.

6. OTHER COMMITMENTS

The District has one credit card with First Interstate Bank with a credit limit totaling $1,000. As of September 30, 2024, $65 of the available credit was in use.

The District entered into a Memorandum of Agreement (MOA) with the City of Meridian to transfer all of its recreational facilities and related holdings to the City for $1 in consideration. The agreement was made effective April 2, 2024. The transfer was completed by September 30, 2024, and resulted in a reduction in net position in the amount of $3,592,899.

In agreements made prior to 2024, the Board of the District approved transferring the operations and maintenance of the District's assets to the City of Meridian. For fiscal year 2024, the District paid the City of Meridian $315,670 and the City of Meridian collected and retained all revenues generated from pool and park operations.

REQUIRED SUPPLEMENTARY INFORMATION

Western Ada Recreation District
Budgetary (GAAP Basis) Comparison Schedule
General Fund
For the Year Ended September 30, 2024

	Budget			
	Original	Final	Actual	Variance
Revenues				
Property Taxes	$ 196,100	$ 196,100	$ 197,488	$ 1,388
Sales Tax	27,000	27,000	30,705	3,705
Earnings on Investments	0	0	262	262
Other	270	270	271	1
Total Revenues	223,370	223,370	228,726	5,356
Expenditures				
Current:				
General and Administrative	32,700	32,700	28,963	3,737
Recreation	315,670	315,670	315,670	0
Total Expenditures	348,370	348,370	344,633	3,737
Net Change in Fund Balances	(125,000)	(125,000)	(115,907)	9,093
Fund Balances, Beginning	125,000	125,000	288,232	163,232
Fund Balances, Ending	$ 0	$ 0	$ 172,325	$ 172,325

Western Ada Recreation District
Notes to Required Supplementary Information
For the Year Ended September 30, 2024

1. BUDGETS AND BUDGETARY ACCOUNTING

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

A. Prior to September 1, the District Secretary/Treasurer and Board of Directors prepare a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.

B. Public hearings are conducted at the Board of Directors meetings to obtain taxpayer comments.

C. Prior to October 1, the budget is legally enacted through approval of a resolution.

D. The District is authorized to transfer budgeted amounts between departments within any fund; however, no revision can be made to increase the overall tax supported funds except when federal or state grants are approved. The District, however, must follow the same budgetary procedures as they followed when the original budget was approved.

E. Formal budgetary integration is employed as a management control device during the year for the General fund.

F. The budget for the General fund is adopted on a basis consistent with generally accepted accounting principles.

G. Expenditures may not legally exceed budgeted appropriations at the fund level. The District does not use the encumbrance method of accounting.

OTHER INFORMATION

Western Ada Recreation District
Supplemental Schedule of Expenditures by Object of
Expenditure - Budget and Actual
For the Year Ended September 30, 2024

	Budget	Actual	Variance
General and Administrative			
Bank Charges	$ 200	$ 0	$ 200
Office	4,675	3,171	1,504
Professional Services	14,225	12,378	1,847
Insurance	13,500	13,389	111
Miscellaneous	100	25	75
Total General and Administrative	32,700	28,963	3,737
Recreation			
Contract Services	315,670	315,670	0
Total Expenditures	$ 348,370	$ 344,633	$ 3,737

INTERNAL CONTROL AND COMPLIANCE REPORT

Bailey & Company Chtd.
Certified Public Accountants

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Cassie Zattiero, CPA

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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*

To the Board of Directors
Western Ada Recreation District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the fund information of Western Ada 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 June 15, 2025.

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.

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.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial 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.

Bailey & Co.

Nampa, Idaho
June 15, 2025