HAILEY CEMETERY MAINTENANCE DISTRICT

BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2024

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ROBINS WATERS HANSON CPAS PLLC

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Hailey Cemetery Maintenance District
Hailey, Idaho

Report on the Audit of the Financial Statements

Opinions
We have audited the accompanying financial statements of the governmental activities of the Hailey Cemetery Maintenance District (HCMD), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the HCMD'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 of the HCMD, as of September 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for 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 HCMD 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 HCMD'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 HCMD'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 HCMD'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 management's discussion and analysis 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. HCMD has elected to not present MD&A.

Other Reporting Required by *Government Auditing Standards*
In accordance with *Government Auditing Standards*, we have also issued our report dated October 17, 2025, on our consideration of the HCMD'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 HCMD'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 HCMD's internal control over financial reporting and compliance.

Robins Waters Hanson CPAs PLLC
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October 17, 2025

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HAILEY CEMETERY MAINTENANCE DISTRICT

STATEMENT OF NET POSITION AND GOVERNMENTAL FUND BALANCE SHEET SEPTEMBER 30, 2024

	General Fund	Adjustments (See Notes)	Statement of Net Position
Assets			
Cash in Bank	135,097		135,097
Taxes Receivable	6,830		6,830
State Revenue Receivable	4,991		4,991
Property and Equipment, Net of Accumulated Depreciation		936,261	936,261
Total Assets	146,918	936,261	1,083,179
Liabilities			
Accounts Payable	8,109		8,109
Accrued Payroll Liabilities	5,774		5,774
Total Liabilities	13,883	-	13,883
Deferred Inflows of Resources			
Unavailable revenue	6,080	(6,080)	-
Fund Balance/Net Position			
Unassigned Fund Balance	126,955	(126,955)	-
Total Liabilities and Fund Balance	146,918		
Net Position:			
Invested in Capital Assets		936,261	936,261
Unrestricted		133,035	133,035
Total Net Position		942,341	1,069,295
		936,261	1,083,179

See accompanying notes to financial statements.

HAILEY CEMETERY MAINTENANCE DISTRICT

STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE FOR THE YEAR ENDED SEPTEMBER 30, 2024

	General Fund	Adjustments (See Notes)	Statement of Activities
Expenditures/Expenses			
Wages and Benefits	97,154		97,154
Depreciation		72,731	72,731
Capital Outlay	38,709	(38,709)	-
Insurance	4,431		4,431
Miscellaneous	3,650		3,650
Professional Fees	1,495		1,495
Repairs and Maintenance	106,991		106,991
Contract Services	178,868		178,868
Directors Fees	1,125		1,125
Supplies and Fuel	12,751		12,751
Utilities	16,325		16,325
Total Expenditures/Expenses	461,499	34,021	495,521
Program Revenues			
Grave Openings and Closings	11,285		11,285
Plot/Columbarium Revenue	10,040		10,040
Total Program Revenues	21,325	-	21,325
Net Program Expenses			474,196
General Revenues			
Property Taxes	350,246	780	351,026
State Revenue	19,543		19,543
Other Revenue	1,280	-	1,280
Interest on Investments	2,727		2,727
Total General Revenues	373,796	780	374,576
Excess Revenues over Expenditures	(66,378)	(33,241)	(99,619)
Fund Balance/Net Position at Beginning of Year	193,333	975,582	1,168,915
Fund Balance/Net Position at End of Year	126,955	942,341	1,069,295

See accompanying notes to financial statements.

HAILEY CEMETERY MAINTENANCE DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL - GENERAL FUND FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budget			Variance Favorable
	Original	Final	Actual	(Unfavorable)
Revenues				
Property Taxes	344,984	344,984	350,246	5,262
Grave Openings and Closings	3,760	3,760	11,285	7,525
State Revenue	-	-	19,543	19,543
Plot Revenue	19,700	19,700	10,040	(9,660)
Interest Revenue	-	-	2,727	2,727
Other Revenue	3,331	3,331	1,280	(2,051)
Total Revenues	371,775	371,775	395,121	23,347
Expenditures				
Wages and Benefits	135,000	135,000	97,154	37,846
Capital Outlay	135,000	135,000	38,709	96,291
Insurance	-	-	4,431	(4,431)
Miscellaneous	10,000	10,000	3,650	6,350
Professional Fees	8,000	8,000	1,495	6,505
Repairs and Maintenance	36,000	36,000	106,991	(70,991)
Contract Services	155,000	155,000	178,868	(23,868)
Directors Fees	2,500	2,500	1,125	1,375
Supplies and Fuel	14,000	14,000	12,751	1,249
Utilities	17,000	17,000	16,325	675
Total Expenditures	512,500	512,500	461,499	51,001
Excess (Deficit) Revenues over Expenditures	(140,726)	(140,726)	(66,378)	74,347
Fund Balance at Beginning of Year	166,220	166,220	193,333	27,113
Fund Balance at End of Year	25,495	25,495	126,955	101,460

See accompanying notes to financial statements.

HAILEY CEMETERY MAINTENANCE DISTRICT

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Scope of Entity

The District operates the public cemetery located in Hailey, Idaho. The District's financial statements include the accounts of all operations under the oversight authority of the Board. Oversight responsibility is derived from the governmental unit's authority and includes, but is not limited to, financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. Based on the foregoing criteria, no component units are included in the District's financial statements.

Basis of Accounting/Measurement Focus

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund balance, revenues, and expenditures. The District has only a General Fund.

Government-wide Financial Statements:

The statement of net assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the District.

The statement of net assets presents the financial condition of the governmental activities of the District at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each activity. Direct expenses are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program. Revenues that are not classified as program revenues are presented as general revenues of the District. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the district.

Fund Financial Statements:

Governmental funds are accounted for using the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the balance sheet. Under modified accrual basis of accounting, revenues are recognized when they become both measurable and available. Available for purposes of revenue recognition is defined as sixty days. Revenue sources susceptible to accrual include property taxes and intergovernmental revenues. Expenditures are recognized when the related fund liability is incurred.

Budgetary Data

The budget is legally enacted prior to October 1 in accordance with the Idaho Code following an analysis of the proposed expenditures and the means of financing them, and a public budget hearing held to obtain taxpayer comments. The budget is prepared on the modified accrual basis of accounting. The encumbrance method is not used by the District.

Capital Assets

The District's assets are capitalized at historic cost or estimated historic costs. Contributed assets are recorded at fair market value when received. Depreciation is recorded on the straight-line basis over the estimated useful lives of the assets as follows: Buildings 40 years, Equipment 5-15 years, and Infrastructure 25-40 years.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Unavailable revenue

Property tax revenue not collected within 60 days of year-end is classified as unavailable as a current resource.

NOTE 2 – CASH

There are three categories of credit risk that apply to an entity's cash and investments:

1) Insured or registered or for which the securities are held by the District or the District's agent in the District's name.
2) Uninsured and unregistered for which the securities are held by the counter party's trust department or the District's agent in the District's name.
3) Uninsured and unregistered for which the securities are held by the counter party or by its trust department or agent but not in the District's name. This category also includes repurchase agreements with no underlying securities.

At fiscal year end, the District held balances in category 1, as follows:

1)	FDIC insured - DL Evans Bank	$ 135,097
2)	Uninsured	-
		$ 135,097

District policies relating to cash and cash equivalents are:

Interest Rate Risk – The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – The District has no investment policy which would further limit its investment choices beyond those stated in the Idaho Code.

Concentration of Credit Risk – The District places no limit on the amount the Treasurer may invest in any one issuer.

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 formal deposit policy for custodial credit risk.

NOTE 3 - TAXES RECEIVABLE

This account represents unremitted property tax revenues levied by the District and collected on their behalf by Blaine County.

Property taxes are levied in November of each year and recognized as revenue when the tax notices are printed. These tax notices indicate the time for collection and are due and payable in equal installments on December 20 and June 20 following the November levy date. If payment is not received upon the due date a 2% penalty is charged to the property and it is classified as past due subject to 12% interest.

Any taxes receivable not collected within 60 days of fiscal year-end, are recorded as unavailable revenue.

NOTE 4 – STATE REVENUE RECEIVABLE

This amount is for state sales tax revenue quarterly payment that was due at year end.

NOTE 5 – PROPERTY AND EQUIPMENT

Changes to property and equipment during the 2023-2024 fiscal year were as follows:

	Land	Depreciable Assets	Accum Depreciation	Net Book Value
Beginning Balance	$ 134,700	$ 1,603,634	$ (768,052)	$ 970,282
Additions:				-
Improvements	-	38,709	-	38,709
				-
Disposals:	-	-	-	-
		-	-	-
Annual depreciation	-	-	(72,731)	(72,731)
Ending Balance	$ 134,700	$ 1,642,343	$ (840,783)	$ 936,260

NOTE 6 – EXPLANATION OF DIFFERENCES BETWEEN THE GOVERNMENTAL FUNDS BALANCE SHEET AND THE STATEMENT OF NET ASSETS

When capital assets (land, buildings, equipment, etc) that are to be used in governmental activities are purchased or constructed, the cost of those assets is reported as expenditures in governmental funds. However the statement of net assets includes those capital assets among the assets of the District as a whole.

Cost of capital assets	$ 1,777,043
Accumulated depreciation	(840,783)
	$ 936,260

Some liabilities and deferred inflows are not current uses of resources; they are therefore included on the statement of net position, but not included on the governmental fund balance sheet.

Unavailable revenue	$ 6,080

NOTE 7 – EXPLANATION OF DIFFERENCES BETWEEN GOVERNMENTAL FUND OPERATING STATEMENT AND THE STATEMENT OF ACTIVITIES

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.

Change in unavailable revenue	$	780

When capital assets that are to be used in governmental activities are purchased or constructed, the resources expended for those assets are reported as expenditures in governmental funds. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. As a result, fund balances decrease by the amount of financial resources expended, whereas net assets decreased by the amount of depreciation expense charged for the year.

Captial Outlay	38,709
Depreciation Expense	(72,731)
	(34,021)

NOTE 8 – RETIREMENT PLAN

The District sponsors a SIMPLE retirement plan for qualifying employees. The District matches employee contributions up to 3% of wages. The District contributed $0, $0, and $969 for years ended September 30, 2024, 2023, and 2022, respectively.

The District has had only one qualifying employee. That employee retired March 2022.

NOTE 9 – RELATED PARTY TRANSACTIONS

The District contracts with Idaho Proscapes, Inc. for cemetery maintenance and certain capital projects. Idaho Proscapes is owned by Benito Martinez, who is employed as maintenance director of the District since March 2022. The District paid Idaho Proscapes $228,727 and $150,233 during the fiscal years ended September 30, 2024 and 2023, respectively.

NOTE 10 - RISK MANAGEMENT

The District carries commercial insurance to cover employee health care, worker's compensation, liability and property. There has been no significant reduction in insurance coverage in the current year. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

NOTE 11 – BUDGET TO ACTUAL COMPARISON

The District did not have any budget to modified accrual differences, therefore budget to actual differences are shown.

NOTE 12 - SUBSEQUENT EVENTS

Any subsequent events have been evaluated through October 17, 2025, the date that the audited financial statements were available to be issued.

ROBINS WATERS HANSON CPAS PLLC

CERTIFIED PUBLIC ACCOUNTANTS

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 Commissioners
Hailey Cemetery Maintenance District
Hailey, Idaho

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities of Hailey Cemetery Maintenance District (HCMD), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise HCMD's basic financial statements, and have issued our report thereon dated October 17, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered HCMD'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 HCMD's internal control. Accordingly, we do not express an opinion on the effectiveness of HCMD'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 HCMD'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.

Robins Waters Hanson CPAs PLLC

Robins Waters Hanson CPAs PLLC
Burley, Idaho
October 17, 2025

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