Bailey & Company Chtd.
Certified Public Accountants

Weston Flamm, CPA
Cassie Zattiero, CPA

812-B 12th Ave. South
P.O. Box 876
Nampa, ID 83653-0876
208 466-2493
FAX 208 467-2000
www.BaileyCPAs.com

August 26, 2025

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

We have audited the financial statements of the cash basis governmental activities and fund information of the Meridian Cemetery Maintenance District for the year ended December 31, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information by way of our engagement letter dated March 28, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Meridian Cemetery Maintenance District are described in the notes to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2024. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. Because the District reports on the cash basis of accounting, there were no estimates.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. A schedule attached to the management representation letter summarizes uncorrected misstatements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. The uncorrected misstatements or the matters underlying them could potentially cause future period financial statements to be materially misstated, even though, in our judgment, such uncorrected misstatements are immaterial to the financial statements under audit. In addition, other misstatements detected as a result of audit procedures were corrected by management

Disagreements With Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated August 26, 2025.

Management Consultations With Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

During our audit, we became aware of the following deficiencies in internal control other than significant deficiencies or material weaknesses, and other matters that are opportunities for strengthening compliance, internal controls, and operating efficiency:

- PLOT SALES AND BURIAL SERVICE DATABASE

  Mark tracks the plot sales and burial service database through Microsoft Access and we ask him to provide reports out of this database based on the dates plots and services are paid for to test that they match up with what the accounting records show for the year. According to Mark, a much older version of Microsoft Access than what is currently available is being used, which may become a problem as new Windows operating systems replace older versions. There also appear to be limitations in the ability to build reports out of the program, in that Mark said he has to manually select transactions rather than running a query and exporting that report to Excel. We are not familiar with the capabilities of this program but from what we could find on the Microsoft site, he should be able to run a query report without having to manually select every transaction when he builds the reports for the audit. Building the reports this way caused some transactions to be missed and initially resulted in significant discrepancies between QuickBooks and this database. This, combined with providing the date services and plots were paid for on the handwritten receipts and using the handwritten receipts in number sequence, are important for providing internal controls over the District's revenues. Because of this, we recommend that the Microsoft Access program is updated to a more current version and it may be necessary for Mark to obtain training so he can take advantage of the program's capabilities that would be beneficial to the District.

Other Matters

We were not engaged to report on the schedule of receipts and disbursements - budget and actual, which accompanies the financial statements but is not required supplementary information. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the information and use of the Board of Commissioners and management of Meridian Cemetery Maintenance District and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Bailey & Co.

MERIDIAN CEMETERY MAINTENANCE DISTRICT

Report on Audited
Basic
Financial Statements
and
Additional Information

For the Year Ended December 31, 2024

Table of Contents

	Page
Independent Auditor's Report	2
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements:	
Statement of Net Position – Cash Basis	4
Statement of Activities – Cash Basis	5
Fund Financial Statement:	
Statement of Cash Basis Assets and Fund Balances and Cash Receipts, Disbursements, and Changes in Cash Basis Fund Balances – Governmental Funds	6
Notes to Financial Statements	7
OTHER INFORMATION	
Schedule of Receipts and Disbursements – Budget and Actual	12
INTERNAL CONTROLS AND COMPLIANCE REPORT	
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*	13

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Independent Auditor's Report

To the Board of Commissioners
Meridian Cemetery Maintenance District

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying cash basis financial statements of the governmental activities and the fund information of Meridian Cemetery Maintenance District (the District), as of and for the year ended December 31, 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 cash basis financial position of the governmental activities and the fund information of Meridian Cemetery Maintenance District, as of December 31, 2024, and the respective changes in the cash basis financial position thereof 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 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.

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; this includes 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 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, 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.

Other Matters

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the schedule of receipts and disbursements – 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 August 26, 2025, on our consideration of Meridian Cemetery Maintenance 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
August 26, 2025

Meridian Cemetery Maintenance District
Statement of Net Position - Cash Basis
December 31, 2024

	Governmental Activities
Assets	
Cash and Cash Equivalents	$ 1,054,217
Total Assets	1,054,217
Net Position	
Unrestricted (Deficit) Surplus	1,054,217
Total Net Position	$ 1,054,217

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

Meridian Cemetery Maintenance District
Statement of Activities - Cash Basis
For the Year Ended December 31, 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
Primary Government:					
Governmental Activities:					
Cemetery Operations and Maintenance	$ 1,384,256	$ 116,660	$ 0	$ 0	$ (1,267,596)
Total Governmental Activities	$ 1,384,256	$ 116,660	$ 0	$ 0	(1,267,596)
General Revenues:					
Property Taxes					720,384
Sales Tax					43,257
Interest					81,602
Total General Revenues					845,243
Change in Net Position					(422,353)
Net Position, Beginning					1,476,570
Net Position, Ending					$ 1,054,217

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

Meridian Cemetery Maintenance District
Statement of Cash Basis Assets and Fund Balances and
Cash Receipts, Disbursements, and Changes in Cash Basis Fund Balances -
Governmental Funds
As of and for the Year Ended December 31, 2024

	General Fund
Receipts	
Property Taxes	$ 720,384
Sales Tax	43,257
Interest	81,602
Sale of Lots/Niches	28,740
Openings	78,760
Overtime	1,600
Perpetual Care Fee	7,560
Total Receipts	961,903
Disbursements	
Current:	
General Operations and Maintenance	103,376
Office and Shop Supplies	11,386
Payroll	426,489
Insurance	59,827
Professional Fees	20,209
Utilities	12,392
Perpetual Care	41,874
Capital Outlay	708,703
Total Disbursements	1,384,256
Excess (Deficiency) of Receipts Over Disbursements	(422,353)
Cash Basis Fund Balance - Beginning	1,476,570
Cash Basis Fund Balance - Ending	$ 1,054,217
Cash Basis Assets - Ending	
Cash and Cash Equivalents	$ 1,054,217
Cash Basis Fund Balances - Ending	
Assigned - Perpetual Care	$ 34,453
Unassigned	1,019,764
Total Cash Basis Fund Balances - Ending	$ 1,054,217

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 the District, which has responsibility and control over all activities related to the maintenance of the cemetery, property owned by the District, and providing cemetery services. The District receives funding from local and state 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 – cash basis and the statement of activities – cash basis display information about the financial activities of the District in the form of cash receipts and disbursements. Governmental activities generally are financed through taxes, intergovernmental revenues, and charges for services.

The statement of activities – cash basis 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 are costs 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) and are allocated to programs based on their percentage of total primary government expenses.
- 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. Separate statements would be presented for each fund category if the District had other fund types besides governmental. The emphasis of fund financial statements is on major governmental funds, and each would be displayed in a separate column if the District had multiple funds. All remaining governmental funds would be aggregated and reported as nonmajor funds, if the District had nonmajor funds. However, the District only has one fund, the General fund. It accounts for all financial resources of the District.

Basis of Accounting

The government-wide and fund financial statements are reported using the cash basis of accounting. Revenues are recorded when received and expenditures are recorded at the time they are paid, rather than when revenues are earned and expenditures are incurred, as would be the case on the accrual basis. Nonexchange transactions, in which the District receives value without directly giving equal value in

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

return, include property taxes, grants, and donations. On a cash basis, revenue from property taxes, grants, and donations is recognized in the fiscal year in which cash is received.

Governmental funds in the fund financial statements and governmental activities in the government-wide financial statements also report capital asset acquisitions as expenditures when funds are disbursed. In the fund financial statements, proceeds of general long-term liabilities and acquisitions under capital leases are reported as other financing sources when received. In the government-wide statements, these items would be reported under general revenues or special items.

Fund Balance Reporting in Governmental Funds

The District distinguishes fund balance classifications based on the relative strength of the constraints that control the purposes for which specified amounts can be spent. The District uses the following fund balance categories in the governmental fund financial statements:

- *Nonspendable fund balance* – amounts that are not in a spendable form or are legally or contractually required to be maintained intact.
- *Restricted fund balance* – amounts that can be spent only for the specific purposes stipulated by external parties, constitutionally, or through enabling legislation.
- *Committed fund balance* – amounts that can be used only for the specific purposes determined by a formal action of the Board of Commissioners (the District's highest level of decision-making authority). Commitments may be changed or lifted only by referring to the formal action that imposed the constraint originally.
- *Assigned fund balance* – amounts *intended* to be used by the government for specific purposes. Intent can be expressed by the Board of Commissioners or by a designee to whom the governing body delegates the authority. In governmental funds other than the General fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.
- *Unassigned fund balance* – includes all amounts not contained in other classifications and is the residual classification of fund balance. Unassigned amounts are available for any legal 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 may be both restricted and unrestricted net position or fund balance available to finance the program. When multiple categories of net position or fund balance are available for expenditure, the District will start with the most restricted category and spend those funds first before moving down to the next category with available funds.

In 2014, the District began assigning fund balance generated by perpetual care fees. This portion of the fund balance is to be used for the maintenance and/or improvement of lots purchased by non-district patrons.

Cash Equivalents and Investments

For presentation in the financial statements, investments with an original maturity of three months or less at the time they are purchased by the District are considered to be cash equivalents. Investments in the External Investment Pool are considered to be cash equivalents. Investments with an original maturity of more than three months that are not purchased from the pool are reported as investments.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

System, or Idaho public corporations, as well as time deposit accounts and repurchase agreements. The District is a voluntary participant in the State of Idaho Local Government Investment Pool (LGIP). On the cash basis, investments are stated at cost.

Property Tax Calendar

The District levies its real property taxes through Ada County in September of each year based upon the assessed valuation as of the previous July 1. Property taxes are due in two installments on December 20 and June 20 and are considered delinquent on January 1 and July 1, at which time the property is subject to lien.

Capital Assets

As a cash basis entity, capital assets are recorded as expenditures when cash is disbursed to purchase them.

2. CASH AND INVESTMENTS

Deposits

As of December 31, 2024, the carrying amount of the District's deposits was $12,351 and the respective bank balances were $16,869.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned. As of December 31, 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. The District does not have a formal policy limiting its exposure to custodial credit risk.

Custodial Risk – Investments

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

Interest Rate Risk

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

Investments

The District voluntarily participates in the State of Idaho Investment Pool, which has not been rated. The pool is not registered with the Securities and Exchange Commission or any other regulatory body. Oversight of the pool is with the State Treasurer, and Idaho Code defines allowable investments. The value of the District's investment in the pool is reported in the accompanying financial statements at amounts based on the District's amortized cost deposited in the pool. Participants have overnight availability to their funds, up to $10 million. Withdrawals of more than $10 million require three business days' notification. The State Treasurer does not provide any legally binding guarantees to support the value of the shares to participants.

2. CASH AND INVESTMENTS (continued)

The District's investments at December 31, 2024, are summarized below:

Investment	Amortized Cost	Investment Maturities (in years)	
		Less than 1	1 - 5
External Investment Pool	$ 1,041,866	$ 1,041,866	$ 0

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

	Governmental Activities
Cash and Cash Equivalents	$ 12,351
Investments Categorized as Deposits	1,041,866
	$ 1,054,217

3. PROPERTY TAXES

Property taxes are an enforceable lien on property. The lien date is January 1 for property taxes levied on the third Monday of the preceding September. Taxes can be paid in two installments with payments due by December 20 and June 20. Ada County bills and collects the taxes and remits them to the District monthly. District property tax revenues are recognized when received.

4. PENSION PLAN

Plan Description

The District contributes to the Base Plan, which is a cost-sharing, multiple-employer defined benefit pension plan administered by the Public Employee Retirement System of Idaho (PERSI or System) that covers substantially all employees of the State of Idaho, its agencies, and various participating political subdivisions. The cost to administer the plan is financed through the contributions and investment earnings of the plan. PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at www.persi.idaho.gov.

Information about fiduciary net position of the Public Employee Retirement System of Idaho Base Plan (Base Plan) and additions to/deductions from the Base Plan's fiduciary net position have been determined on the same basis as they are reported by the Base Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Responsibility for administration of the Base Plan is assigned to the Board comprised of five members appointed by the Governor and confirmed by the Idaho Senate. State law requires that two members of the Board be active Base Plan members with at least ten years of service and three members who are Idaho citizens and are not members of the Base Plan except by reason of having served on the Board.

Pension Benefits

The Base Plan provides retirement, disability, death and survivor benefits of eligible members or beneficiaries. Benefits are based on members' years of service, age, and highest average salary.

4. PENSION PLAN (continued)

Members become fully vested in their retirement benefits with five years of credited service (5 months for elected or appointed officials). Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. The annual service retirement allowance for each month of services is 2.0% (2.3% for police/firefighters) of the average monthly salary for the highest consecutive 42 months.

The benefit payments for the Base Plan are calculated using a benefit formula adopted by the Idaho Legislature. The Base Plan is required to provide a 1% minimum cost of living increase per year provided the Consumer Price Index increases 1% or more. The PERSI Board has the authority to provide higher cost of living increases to a maximum of Consumer Price Index movement or 6%, whichever is less; however, any amount above the 1% minimum is subject to review by the Idaho Legislature.

Member and Employer Contributions

Member and employer contributions paid to the Base Plan are set by statute and are established as a percent of covered compensation. Contribution rates are determined by the PERSI Board within limitations, as defined by state law. The Board may make periodic changes to employer and employee contribution rates (expressed as percentages of annual covered payroll) that are adequate to accumulate sufficient assets to pay benefits when due.

The contribution rates for employees are set by statute at 60% of the employer rate for general employees and 72% for police and firefighters. As of June 30, 2024, it was 6.71% for general employees and 9.83% for police and firefighters. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.18% for general employees and 13.26% for police and firefighters. Effective July 1, 2024, the employee rates changed to 7.18% for general employees and 10.83% for police and firefighters and the employer rates changed to 11.96% for general employees and 14.65% for police and firefighters. The District's employer contributions were $19,964 for the year ended December 31, 2024.

5. RISK MANAGEMENT

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

Meridian Cemetery Maintenance District
Schedule of Receipts and Disbursements -
Budget and Actual
For the Year Ended December 31, 2024

	Budgeted Amounts			
	Original	Final	Actual	Variance
Receipts				
Property Taxes	$ 713,087	$ 713,087	$ 720,384	$ 7,297
Sales Tax	40,000	40,000	43,257	3,257
Interest	14,000	14,000	81,602	67,602
Sale of Lots/Niches	39,000	39,000	28,740	(10,260)
Openings	60,000	60,000	78,760	18,760
Overtime	7,000	7,000	1,600	(5,400)
Perpetual Care Fee	8,000	8,000	7,560	(440)
Total Receipts	881,087	881,087	961,903	80,816
Disbursements				
Current:				
General Operations and Maintenance	155,813	155,813	103,376	52,437
Office and Shop Supplies	9,900	9,900	11,386	(1,486)
Payroll	437,564	437,564	426,489	11,075
Insurance	84,152	84,152	59,827	24,325
Professional Fees	40,000	40,000	20,209	19,791
Utilities	12,000	12,000	12,392	(392)
Perpetual Care	70,000	70,000	41,874	28,126
Capital Outlay	1,084,659	1,655,373	708,703	946,670
Contingency	30,000	30,000	0	30,000
Total Disbursements	1,924,088	2,494,802	1,384,256	1,110,546
Net Change in Fund Balances	(1,043,001)	(1,613,715)	(422,353)	1,191,362
Cash Basis Fund Balances - Beginning	1,043,001	1,613,715	1,476,570	(137,145)
Cash Basis Fund Balances - Ending	$ 0	$ 0	$ 1,054,217	$ 1,054,217

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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 Commissioners
Meridian Cemetery Maintenance 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 Meridian Cemetery Maintenance District (the District) as of and for the year ended December 31, 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 August 26, 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described below, that we consider to be material weaknesses:

2024-001: Oversight of Financial Activities

Condition: In the items we tested, there was not always support for expenditures or support provided did not match the amount paid, there were missing bank statements, inaccurate voucher forms, and errors in payroll reports.

Cause: The District lacks a proper segregation of duties that is meant to be mitigated by Board oversight of financial activities but oversight either did not occur or was ineffective.

Criteria: A proper internal control structure segregates duties of custody, authorization, and recording to mitigate risk. When this is not possible, the alternative is to enlist the entity's board to provide oversight.

Effect: Expenditures could be made with District funds that are personal in nature for those expenditures that lack proper support or approval. In the event of a PERSI audit, the District could incur penalties for not properly reporting PERSI eligible wages. When bank statements are missing, bank reconciliations may not be properly or timely performed, so errors or fraud can go undetected.

Recommendations: We recommend all support for expenditures are present and match the amount paid or document why the support is missing; that all bank statements are retained in the District's records and show evidence of board review; that all voucher forms are accurate and properly approved; that those responsible for payroll have a review process that indicates the payroll records have been matched to the PERSI transmittal and when there is an adjustment to be made, this is noted in the documentation. Board members should provide detailed, consistent, and timely oversight of financial activities and be sure to evidence this oversight.

Views of Responsible Officials: The District agrees with this finding and will either immediately implement the recommendations or alternative procedures will be applied to correct these internal control issues. The District will assign this responsibility to the appropriate parties.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Meridian Cemetery Maintenance 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.*

District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the finding identified in our audit as described previously. The District's response was not subjected to the 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 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
August 26, 2025