# MOUNTAIN RIDES TRANSPORTATION AUTHORITY

## Financial Statements

## Year Ended September 30, 2024

# MOUNTAIN RIDES TRANSPORTATION AUTHORITY
## Financial Statements
## For the year ended September 30, 2024

**Table of Contents**


Independent Auditor's Report . . . . . 1-2

Required Supplementary Information
Management's Discussion and Analysis . . . . . 3-8

Basic Financial Statements:

Government-Wide Financial Statements:
Statement of Net Position . . . . . 9
Statement of Activities . . . . . 10

Fund Financial Statements:
Balance Sheet . . . . . 11
Statement of Revenues, Expenditures and Changes in Fund Balances . . . . . 12
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities . . . . . 13

Notes to the Financial Statements . . . . . 14-18

Required Supplementary Information
General Fund Budgetary Comparison Schedules . . . . . 19
Capital Reserve Fund Budgetary Comparison Schedules . . . . . 20
Work Force Housing Fund Budgetary Comparison Schedules . . . . . 21

Schedule of Expenditures of Federal Awards . . . . . 22-23

Schedule of Findings and Questioned Costs . . . . . 24

Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of the General Purpose Financial Statements Performed in Accordance with Government Auditing Standards . . . . . 25-26

Independent Auditor's Report on Compliance For Each Major Program and on Internal Control Over Compliance Required By Uniform Guidance . . . . . 27-28

WORKMAN & COMPANY | Office of Accounting

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**INDEPENDENT AUDITOR'S REPORT**

December 2, 2024

To the Board of Directors
Mountain Rides Transportation Authority
Ketchum, Idaho

***Opinions***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Mountain Rides Transportation Authority, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Mountain Rides Transportation Authority'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, each major fund, and the aggregate remaining fund information of the Mountain Rides Transportation Authority, 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. 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 Mountain Rides Transportation Authority, 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 these 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 Mountain Rides Transportation Authority'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 Responsibility***

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 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 judgement made by a reasonable user based on the financial statements.

Report Continued—

In performing an audit in accordance with generally accepted 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 Mountain Rides Transportation Authority'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 Mountain Rides Transportation Authority'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 planning 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, and budgetary comparison information on pages 3–8 and 19–21 be presented to supplement the basic financial statements. Such 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. 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.

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Mountain Rides Transportation Authority's basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2024, on our consideration of the Mountain Ride Transportation Authority'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 Authority'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 Authority's internal control over financial reporting and compliance.

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*Workman & Company*

Certified Public Accountants
Twin Falls, Idaho

# Mountain Rides Transportation Authority ("Mountain Rides" or "MRTA")
# Management's Discussion and Analysis
# Fiscal Year Ended September 30, 2024 ("FY2024")

## Executive Summary and Overview

The Financial Statements comprise three (3) sections:

(1) Management's Discussion and Analysis (page 3);

(2) Basic Financial Statements – a Statement of Net Position (page 9) and a Statement of Activities (page 10) – which present a holistic view of recent financial activities, as well as support reasonable projections for longer-term financial performance; and

(3) Fund Financial Statements (pages 11-13), which detail recent expenditures for and financing of capital programs and services, as well as projections for future capital spending and financing.

The Basic Financial Statements, compiled using the modified accrual basis of accounting (similar to the accounting used by most private-sector companies), enumerate and report changes in Mountain Rides' assets and liabilities and financial activities. These Statements include all current year revenue and expenses irrespective of when cash is actually received or paid.

Net Position – assets minus liabilities – is a measure of Mountain Rides' financial health, or financial position. Over time, increases and decreases in Net Position can indicate whether financial health is improving or deteriorating. Other factors, such as changes in sources of revenue and/or the age and condition of Mountain Rides' assets, particularly its fleet of vehicles, may also contribute in assessing overall financial health.

The Statement of Activities (page 10), reporting Net (Expense) Revenue and Changes in Net Position, indicates the extent of financial resources available and expended in the near-term to underwrite Mountain Rides' activities and programs.

The Fund Financial Statements (pages 11-13) comprise:

(1) The Balance Sheet – Governmental Funds, enumerating Mountain Rides' consolidated financial position, including its Operations Fund and all Capital Funds.

(2) The Statements of Revenues, Expenditures, and Changes in Fund Balance, itemizing activities in each Mountain Rides Fund: i) General Operations; ii) Capital Projects; and iii) Workforce Housing.

Mountain Rides' basic services are accounted for and reported in the General Operations Fund. Each Fund's Financial Statements are compiled using the modified accrual basis of accounting (similar to the accounting used by most private-sector companies), which measures cash and all other financial assets that can be readily converted to cash.

## Management's Discussion and Analysis

This MD&A provides an overview of Mountain Rides' FY2024 financial activities, highlighting FY2024's financial activities and resulting changes and underscoring currently known facts regarding financial performance. The reader should review the MD&A as part of the package that also includes the Independent Auditor's Report and the Basic Financial Statements.

## Financial Highlights

(1) In FY2024, Mountain Rides, as a provider of public transportation services in Blaine County, continued to receive, as a sub-recipient of the Idaho Transportation Department (ITD), significant funding from the Federal Transit Administration (FTA) to underwrite the operation of public transportation services in a rural area (5311 Rural Transportation Grant Funding (5311 Rural)). In FY2024, Mountain Rides received $1,945,789 (cash basis) ($2,057,012, including a fiscal year-end receivable from the Idaho Transportation Department) in regular, anticipated, and budgeted 5311 Rural funds.

(2) Beginning October 1,2022, Mountain Rides received a two-year 5311 Rural award in the amount of $4,114,024 ($2,057,012 annually), a 26% increase in funding over the previous two-year funding cycle.

(3) In FY2024, Local funding as underwritten by local tax receipts from the cities of Sun Valley, Ketchum, Hailey, and Bellevue, as well as from Blaine County, and by Sun Valley Company, increased by 3.7% year-over-year. Mountain Rides relies on Local Funding to help underwrite operations, maintain service levels, and provide the local match required for receipt of Federal funding – by and large Federal transit funding programs require local entities to share in the cost of operating and maintaining transit systems. In FY2024, Local Funding was allocated 100% to operations (and 0% to capital accounts).

(4) In FY2024, Mountain Rides began construction of an addition to its Bellevue Depot to house, maintain, charge, and service its fleet of battery electric buses (“BEBs”).

(5) The Coronavirus pandemic declared in March 2020 did not have a negative material financial impact on Mountain Rides in the fiscal year 2024. Management believes that there will be no negative material impact of the pandemic on future revenues, expenses, or net assets.

## Financial Analysis

### *Condensed Statement of Net Position (Table 1)*

In FY2024, Mountain Rides’ Total Net Position (total assets minus total liabilities) increased by $1,394,215 over FY2023, rising from $17,279,746 at September 30, 2023, to $18,673,961 at September 30, 2024.

In FY2024, Unrestricted Net Position, which includes funds available, without constraint, to finance day-to-day operations, increased by 21%, from $3,254,205 at September 30, 2023, to $3,941,118 at September 30, 2024.

In FY2025, a portion of the Unrestricted Net Position will be applied to underwrite operating expenses and capital expenditures; the balance will be held on-hand as contingency funds to meet cash needs arising from delays in receipts of Federal or Local Funding and/or resulting from unanticipated emergencies.

At September 30, 2024, Mountain Rides’ Restricted Net Position balance is $0.

At September 30, 2024, Mountain Rides’ Contingency Fund – balance of ~$550,000 – was fourteen percent (14%) of trailing twelve months’ operating expenses.

In upcoming years, Mountain Rides intends to maintain sufficient Capital Funds to ensure local matching funds for underwriting capital projects, including vehicle additions and replacements; facilities’ enhancements; bus stop improvements; and construction of a new building at the Bellevue, Idaho, depot.

**Table 1: Condensed Statement of Net Position - Compared**
**As of September 30, 2024 and 2023**

| | FY 2024 | FY 2023 |
|---|---|---|
| Current Assets: | | |
| Cash and Deposits | $ 3,516,305 | $ 3,153,277 |
| Receivables | 857,883 | 1,027,624 |
| Prepaid Expenses | 49,471 | 0 |
| Inventories | 43,994 | 73,829 |
| Total Current Assets | 4,467,653 | 4,254,730 |
| Capital Assets: | | |
| Capital Assets (Net of Depreciation) | 14,732,843 | 14,025,541 |
| Total Assets | $ 19,200,496 | $ 18,280,271 |
| | | |
| Current Liabilities | $ 430,956 | $ 918,458 |
| Long-term liabilities | 95,579 | 82,067 |
| Total Liabilities | 526,535 | 1,000,525 |
| | | |
| Net assets: | | |
| Invested in capital assets | 14,732,843 | 14,025,541 |
| Restricted | | |
| Unrestricted | 3,941,118 | 3,254,205 |
| Total Net Position | $ 18,673,961 | $ 17,279,746 |

***Statement of Revenues, Expenses, and Changes in Fund Balance (Table 2)***

Mountain Rides' FY2024 Total Revenues decreased thirty-two percent (32%) from FY2023 Total Revenues. The decrease in revenues reflects the absence of Federal Grant Funding for the purchase of capital assets, predominantly battery electric buses, in FY2024 relative to FY2023.

Driven almost exclusively by the FY2024-versus-FY2023 decrease in Capital Expenditures, Mountain Rides' total cost of all programs and services decreased by forty percent (-40%) in FY2024 versus FY2023.

**Table 2: Statement of Revenues, Expenses, and Changes in Fund Balance - Compared For the Fiscal Years Ended September 30, 2024 and 2023**

| | FY 2024 | FY 2023 |
|---|---|---|
| Revenues: | | |
| Federal Funding | $ 3,539,622 | $ 7,846,596 |
| State Funding | 0 | 0 |
| Local Funding | 2,773,110 | 1,814,910 |
| Fare Revenues | 238,177 | 222,124 |
| Charter Bus and Bike Share Revenues | 0 | 0 |
| Workforce Housing Revenues | 28,050 | 33,175 |
| Advertising | 92,758 | 105,270 |
| Interest from Investments | 141,783 | 96,012 |
| Proceeds on Sale of Assets | 21,259 | 0 |
| Private Donations | 38,000 | 21,600 |
| Other Revenues | 9,571 | 859 |
| Totals | 6,882,330 | 10,140,546 |
| Expenditures: | | |
| Wages | 2,950,553 | 2,900,095 |
| Fuel | 305,865 | 375,712 |
| Repairs and Maintenance | 192,543 | 256,757 |
| Utilities | 34,858 | 42,878 |
| Contracted Services | 27,517 | 40,224 |
| Marketing and Promotion | 49,829 | 43,837 |
| Insurance | 188,133 | 136,377 |
| Capital Expenditures | 2,263,177 | 6,303,744 |
| Supplies | 26,778 | 26,688 |
| Traveling and Training | 48,921 | 40,258 |
| Business Expenses | 14,458 | 28,605 |
| Printing and Reproduction | 16,035 | 18,457 |
| Communication Expense | 33,403 | 41,179 |
| Totals | 6,152,070 | 10,254,811 |
| Excess (Deficiency) | $ 730,260 | $ (114,265) |

### *General Fund Highlights*

In FY2024, the General Fund realized a surplus (revenues minus expenses; budgeted as breakeven) of $477,745. This positive variance (+$477,745) accrued primarily through diligent management and tight expense control, particularly on the payroll, fuel, and vehicle maintenance line items. The surplus will be used to underwrite future operations and capital projects.

### *Capital Funds Highlights*

Mountain Rides' FY2024 capital budget included $7,237,050 for vehicles, equipment, and facility upgrades, with funding for these projects in place – Federal grant awards; Mountain Rides' cash reserves; and Local Match funds.

In FY2020, Mountain Rides began a fleet electrification project, including the installation of battery electric bus charging infrastructure at its Ketchum, Idaho, and Bellevue, Idaho, depots ("1st Phase"). In FY2021, Mountain Rides completed the 1st Phase with the charging infrastructure operational and servicing its nascent fleet of

four (4) BEBs. In FY2023, after delays by the OEM, MRTA added seven (7) BEBs to its fleet, with six (6) of those BEBs put in service in FY2023 and one (1) of those BEBs received, accepted, and put in service in November 2023 (FY2024).

In FY2024, Mountain Rides began the construction of its new battery electric bus facility immediately adjacent to and contiguous with its Bellevue, Idaho, depot. Mountain Rides anticipates completion of the facility and putting it in service in late Spring 2025 (FY2025).

### *Workforce Housing ("WFH") Fund Highlights*

Mountain Rides owns and maintains five (5) workforce housing units in its Ketchum, Idaho, depot facility. At September 30, 2024, four (4) units were occupied by Mountain Rides' employees and one (1) unit was vacant. Rents, the primary source of WFH Fund revenue, for the workforce housing units are maintained at below-market rates.

## Capital Asset and Debt Administration

### *Capital Assets (Table 3)*

At September 30, 2024, Mountain Rides' Net Capital Assets (asset cost minus accumulated depreciation) balance stood at $14,732,843, which is $707,302, or 5%, more than the Net Capital Assets balance at September 30, 2023. The vast majority of the year-over-year increase in this balance is attributable to FY2024 construction in progress on the new South Valley Battery Electric Bus Facility project. Mountain Rides is invested in a broad range of capital assets, including its Ketchum and Bellevue depot facilities; bus stop shelters across its system of routes; buses, vans, and support vehicles; tools; and equipment.

**Table 3: Capital Assets for all Funds**

| | FY 2024 | FY 2023 |
|---|---|---|
| Governmental Activities: | | |
| Land | $ 441,608 | $ 441,608 |
| Construction in Progress | 2,114,850 | 0 |
| Depreciable Capital Assets: | | |
| Buildings and Improvements | 5,673,075 | 5,673,075 |
| Buses and Vehicles | 13,877,472 | 14,902,565 |
| Equipment | 550,637 | 500,014 |
| Totals | 22,657,642 | 21,517,262 |
| Less: Accumulated Depreciation | | |
| Buildings and Improvements | 2,161,554 | 1,952,678 |
| Buses and Vehicles | 5,405,505 | 5,256,425 |
| Equipment | 357,740 | 282,618 |
| Totals | 7,924,799 | 7,491,721 |
| Net Capital Assets | $ 14,732,843 | $ 14,025,541 |

## FY2025 and Beyond

In September 2024, the Mountain Rides Board of Directors approved a balanced Consolidated Budget for FY2025, including Total Revenues of $12,982,729; Total Expenses of $11,319,225; and Total Fund Balances in Reserve of $1,663,505. The FY2025 Operating Budget, a component of the Consolidated Budget, is balanced and includes Total Revenues of $4,943,225 and Total Expenses of $4,943,225.

Integral to the FY2025 Budget, Mountain Rides considered the following:

- FY2024 5311 Federal funding for operations – $2,596,375 – is known and locked in via an executed two-year funding agreement for FY2025 and FY2026 between Mountain Rides (sub-recipient, via the ITD, of Federal funding) and the Idaho Transportation Department (direct recipient of Federal funding).
- With the known and quantifiable revenues in place, in FY2025, Mountain Rides will sustain service at post-pandemic recovery levels, expanding said service only to the extent that any such expanded service proves to be sustainable longer-term, thereby avoiding the detrimental impacts to the organization that typically accompany arbitrarily increasing and decreasing service levels.
- FY2025 Local funding will increase by 3.7% over FY2024 levels.
- FY2025 Capital Budgets were built by first identifying revenues and funds at-hand (Federal grant awards, Mountain Rides' Capital Funds' balances, Local Match funding) for underwriting capital expenditures and then building a capital improvements plan, with its resulting capital expenditures that can be funded by the revenues and funds at-hand. Of particular note in the FY2025 Capital Budgets (Facilities Budget) is the budgeting for funding and ongoing construction of a new BEB facility on MRTA's Bellevue, Idaho, campus. This $4.7M project (FY25 phase) is underwritten by Federal grant and Local Match Funding, $3.760M and $940,000, respectively, and construction will be ongoing in FY2025.
- In October 2020, Mountain Rides took a proactive step to do its part in mitigating the impacts of the Covid-19 pandemic on the community by, via resolution (the "Zero-Fare Resolution") of its Board of Directors, providing all of its fixed-route bus service on a fare-free basis. Mountain Rides' Zero-Fare Resolution stipulates continuing zero-fare fixed-route bus service into the future for as long as is financially feasible.

## Contacting Financial Management

This financial report, which is available to all, provides a substantive overview of Mountain Rides' finances and attests to its accountability for spending the funding it receives. If you have questions about this report or need additional financial information, please contact Jerry Garcia, Director of Finance and Administration, at (208) 788-7433 or jerry@mountainrides.org.

**MOUNTAIN RIDES TRANSPORTATION AUTHORITY**
**Statement of Net Position**
**at September 30, 2024**

| | Governmental Activities | |
|---|---|---|
| **ASSETS** | | |
| Current Assets: | | |
| Cash and Deposits | $ 3,516,305 | |
| Accounts Receivable | 305,219 | |
| Grants Receivable | 552,664 | |
| Prepaid Expenses | 49,471 | |
| Inventories | 43,994 | |
| Total Current Assets | | $ 4,467,653 |
| Non-Current Assets: | | |
| Land | 2,556,458 | |
| Buildings and Improvements | 5,673,075 | |
| Vehicles and Equipment | 14,428,109 | |
| Totals | 22,657,642 | |
| Accumulated Deprecation | (7,924,799) | |
| Total Non-Current Assets | | 14,732,843 |
| **Total Assets** | | $ 19,200,496 |
| **LIABILITIES** | | |
| Current Liabilities: | | |
| Accounts Payable | $ 410,821 | |
| Other Accrued Liabilities | 14,535 | |
| Deferred Revenues | 5,600 | |
| Total Current Liabilities | | $ 430,956 |
| Long-term Liabilities: | | |
| Compensated Absences | | 95,579 |
| **Total Liabilities** | | 526,535 |
| **NET POSITION** | | |
| Invested in Capital Assets | 14,732,843 | |
| Unrestricted | 3,941,118 | |
| **Total Net Position** | | $ 18,673,961 |

The accompanying notes are a part of these financial statements.

**MOUNTAIN RIDES TRANSPORTATION AUTHORITY**
**Statement of Activities**
**For the Year Ended September 30, 2024**

| Activities: | Expenses | Program Revenues: Charges for Services | Program Revenues: Capital Grants and Contributions | Net (Expense) Revenues and Changes in Net Position: Governmental Activities |
|---|---|---|---|---|
| **Governmental:** | | | | |
| General Operations | $ 5,393,124 | $ 330,935 | $ 2,116,491 | $ (2,945,698) |
| **Special Services:** | | | | |
| Capital Projects | 48,476 | | 1,423,131 | 1,374,655 |
| Work Force Housing | 19,844 | 28,050 | | 8,206 |
| Total MRTA | $ 5,461,444 | $ 358,985 | $ 3,539,622 | (1,562,837) |
| General Revenues: | | | | |
| Local Government Funding | | | | 2,773,110 |
| Private Donations | | | | 38,000 |
| Interest Income | | | | 141,783 |
| Gain (Loss) on Disposition of Assets | | | | (5,412) |
| Miscellaneous | | | | 9,571 |
| Total general revenues and transfers | | | | 2,957,052 |
| Changes in net assets | | | | 1,394,215 |
| Net Position - Beginning | | | | 17,279,746 |
| Net Position - Ending | | | | $ 18,673,961 |

The accompanying notes are a part of these financial statements.

**MOUNTAIN RIDES TRANSPORTATION AUTHORITY**
**Balance Sheet**
**Governmental Funds**
**for the year ended September 30, 2024**

| | General Fund | Capital Reserve Fund | Work Force Housing Fund | Total |
|---|---|---|---|---|
| **ASSETS:** | | | | |
| Cash and Cash Deposits | $ 2,044,658 | $ 1,425,353 | $ 46,294 | $ 3,516,305 |
| Accounts Receivable | 155,219 | 150,000 | | 305,219 |
| Grants Receivable | 157,119 | 395,545 | | 552,664 |
| Prepaid Expenses | 49,471 | | | 49,471 |
| Due From Other Funds | | 8,759 | | 8,759 |
| Total Assets | $ 2,406,467 | $ 1,979,657 | $ 46,294 | 4,432,418 |
| **LIABILITIES:** | | | | |
| Accounts Payable | 13,585 | 397,092 | 144 | 410,821 |
| Accrued Payroll Expenses | 14,535 | | | 14,535 |
| Tenant Deposits | | | 5,600 | 5,600 |
| Due To Other Funds | 8,759 | | | 8,759 |
| | | | | 0 |
| Total Liabilities | 36,879 | 397,092 | 5,744 | 439,715 |
| **FUND BALANCE:** | | | | |
| Non-spendable | | | | 0 |
| Restricted | | | | 0 |
| Committed | | 1,582,565 | | 1,582,565 |
| Assigned | 501,578 | | 40,550 | 542,128 |
| Unassigned | 1,868,010 | | | 1,868,010 |
| Total Fund Balance | 2,369,588 | 1,582,565 | 40,550 | 3,992,703 |
| Total Liabilities and Fund Balance | $ 2,406,467 | $ 1,979,657 | $ 46,294 | $ 4,432,418 |

Amounts reported for governmental activities in the Statement of Net Position (page 9) are different because:

| | |
|---|---|
| Governmental fund capital assets are not financial resources and therefore are not reported in the funds. The cost of assets is $ 22,657,642 and the accumulated depreciation is $ 7,924,799 | 14,732,843 |
| Inventory | 43,994 |
| Compensated absences | (95,579) |
| Net Position of Governmental Funds | $ 18,673,961 |

The accompanying notes are a part of these financial statements.

**MOUNTAIN RIDES TRANSPORTATION AUTHORITY**
**Statement of Revenues, Expenditures, and Changes in Fund Balances**
**Governmental Funds**
**for the year ended September 30, 2024**

| | General Fund | Capital Reserve Fund | Work Force Housing Fund | Totals |
|---|---|---|---|---|
| **REVENUE:** | | | | |
| Federal Funding | $ 2,116,491 | $ 1,423,131 | $ | $ 3,539,622 |
| State Funding | | 0 | | 0 |
| Local Funding | 1,928,110 | 845,000 | | 2,773,110 |
| Fare Revenues | 238,177 | | | 238,177 |
| Charter Bus and Bike Share Revenue | 0 | | | 0 |
| Workforce Housing Revenue | | | 28,050 | 28,050 |
| Advertising | 92,758 | | | 92,758 |
| Interest Income | 68,335 | 72,436 | 1,012 | 141,783 |
| Proceeds on Sale of Assets | | 21,259 | | 21,259 |
| Priviate Donations | 38,000 | | | 38,000 |
| Other Revenues | 1,867 | 6,711 | 993 | 9,571 |
| Total Revenue | 4,483,738 | 2,368,537 | 30,055 | 6,882,330 |
| **EXPENDITURES:** | | | | |
| Wages and Benefits | 2,950,553 | | | 2,950,553 |
| Fuel | 305,865 | | | 305,865 |
| Repairs and Maintenance | 180,271 | | 12,272 | 192,543 |
| Utilities | 27,286 | | 7,572 | 34,858 |
| Contracted Services | 27,517 | | | 27,517 |
| Marketing and Promotion | 49,829 | | | 49,829 |
| Insurance | 188,133 | | | 188,133 |
| Capital Expenditures | 25,913 | 2,237,264 | | 2,263,177 |
| Supplies | 26,778 | | | 26,778 |
| Travel and Training | 48,921 | | | 48,921 |
| Business Expenses | 14,458 | | | 14,458 |
| Printing and Reproduction | 16,035 | | | 16,035 |
| Communication Expense | 33,403 | | | 33,403 |
| Total Expenditures | 3,894,962 | 2,237,264 | 19,844 | 6,152,070 |
| **EXCESS REVENUE (EXPENDITURES)** | 588,776 | 131,273 | 10,211 | 730,260 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Operating transfers from other funds | 0 | 0 | 0 | 0 |
| Operating transfers (to) other funds | 0 | 0 | 0 | 0 |
| NET CHANGE IN FUND BALANCES | 588,776 | 131,273 | 10,211 | 730,260 |
| FUND BALANCE - BEGINNING | 1,780,812 | 1,451,292 | 30,339 | 3,262,443 |
| FUND BALANCE - ENDING | $ 2,369,588 | $ 1,582,565 | $ 40,550 | $ 3,992,703 |

The accompanying notes are a part of these financial statements.

**MOUNTAIN RIDES TRANSPORTATION AUTHORITY**
**Reconciliation of the Statement of Revenues,**
**Expenditures, and Changes in Fund Balances of Governmental Funds**
**To the Statement of Activities**
**for the year ended September 30, 2024**

| | |
|---|---|
| Net Change in Fund Balance - Total Governmental Funds (Page12) | $ 730,260 |
| Governmental funds report capital outlays as current year expenditures. In the Statement of Activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. This is the amount of current capital outlay for new fixed assets. | |
| This is the amount of current year depreciation. | (1,454,815) |
| This is the amount of new assets acquired in the Government Funds. | 2,188,788 |
| This is the amount of proceeds from the sale of assets included in the change in the Net Change in Fund Balance | (26,671) |
| Change in inventory is not included in the governmental fund statements | (29,836) |
| Liability for personal leave days are not recorded in Governmental Funds. | |
| This is the increase in compensated leave during the year | (13,511) |
| Change in Net Position of Governmental Activities (Page 10) | $ 1,394,215 |

The accompanying notes are a part of these financial statements.

## Introduction

The Mountain Rides Transportation Authority (MRTA) is a local government entity created by a joint powers agreement between Blaine County and the Cities of Ketchum, Sun Valley, Hailey, and Bellevue – as prescribed under Idaho code. MRTA was formerly known as the Ketchum-Sun Valley Public Transit Authority. MRTA serves transportation needs in the Wood River Valley, extending along the valley corridor from Ketchum/Sun Valley on the north to Bellevue on the south, and routes to Twin Falls.

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES

### Scope of Entity

The Authority'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 Authority's financial statements.

### Basis of Accounting/Measurement Focus

The accounts of MRTA 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. MRTA has a general operating fund, a capital reserve fund, and a work force housing fund.

### Government-wide Financial Statements:

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

The statement of net position presents the financial condition of the governmental activities of the Authority 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 Authority. 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 Authority.

### 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 advertising, charter, state, federal and intergovernmental revenues. Expenditures are recognized when the related fund liability is incurred. Exceptions to this general rule include the accrual of payroll and related payroll liabilities.

The accounts of the Authority are organized and operated on the basis of funds and account groups. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The Authority has adopted GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions" (GASB 54) which defines how fund balances of the governmental funds are presented in the financial statements. There are five classifications of fund balances as presented below:

Note 1 – Continued

Non-spendable – These funds are not available for expenditures based on legal or contractual requirements. In this category, one would see inventory, long-term receivables, unless proceeds are restricted, committed, or assigned and legally or contractually required to be maintained intact (corpus or a permanent fund).

Restricted – These funds are governed by externally enforceable restrictions. In this category, one would see restricted purpose grant funds, debt service or capital projects.

Committed – Fund balances in this category are limited by the governments' highest level of decision making. Any changes of designation must be done in the same manner that it was implemented and should occur prior to the end of the fiscal year, though the exact amount may be determined subsequently.

Assigned – These funds are intended to be used for specific purposes, intent is expressed by a governing body or an official delegated by the governing body.

Unassigned – This classification is the default for all funds that do not fit into the other categories. This, however, should not be a negative number for the general fund. If it is, the assigned fund balance must be adjusted.

Order of Use of Fund Balance – The Authority's policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance and unassigned fund balance at the end of the fiscal year. For all funds, non-spendable fund balances are determined first and then restricted fund balances for specific purposes are determined.

**Capitalizing Assets**
Tangible and/or intangible assets used in operations with an initial useful life that extends beyond one year are capitalized. Capital assets are recorded at their historical cost and are depreciated using the straight-line method of depreciation over their estimated useful lives. They are reported net of accumulated depreciation on the Statements of Net Position. The Authority has established a capitalization threshold of items costing in excess of $5,000.

Depreciation of buildings, buses, and machinery and equipment is computed using the straight-line method over the following estimated useful lives:

| | |
|---|---|
| Buildings and Improvements | 20-40 Years |
| Buses | 10-12 Years |
| Machinery and Equipment | 5-15 Years |

**Restricted Net Assets**
Restricted net assets are those for which a constraint has been imposed either externally or by law. MRTA recognized the use of restricted resources or expenditures that comply with the specific restrictions. Restricted resources are exhausted before unrestricted net assets are used. MRTA did not have any restricted net assets as of the financial statement date.

**Budgets and Budgetary Accounting**
Annual appropriated budgets are adopted for each fund before October 1 of each year in accordance with Idaho code. The budgets are prepared in accordance with the modified accrual basis of accounting. Budgeted amounts shown are as originally adopted and as amended by MRTA.

**Cash and Cash Equivalents**
MRTA's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with maturities of less than 90 days.

Note 1 - Continued

**Investments**
State statutes authorize MRTA to invest in obligations of U.S. Treasury, commercial paper, corporate bonds and repurchase agreements, and the Idaho State Treasurer Local Government Investment Pool. All investments of MRTA are placed in the State Investment Pool and stated at fair value as provided by the Pool.

**Inventories**
Inventory is valued at cost using the first in, first out method. Inventory consists of expendable supplies held for future consumption or capitalization. The cost is recorded as an expense as inventory items are consumed and is reflected in the government-wide financial statements only. Inventory items are reported as expenditures in the fund statements when purchased.

## NOTE 2 – CASH AND CASH DEPOSITS

Cash and cash deposit balances at September 30, 2024:

| | Book Balance | Bank Balance |
|---|---|---|
| Petty cash/undeposited funds | $ 76 | $ 0 |
| Mountain West Bank checking accounts | 290,594 | 358,832 |
| State of Idaho Local Government Investment Pool | 3,225,635 | 3,223,203 |
| Total Cash/Cash Deposit | $ 3,516,305 | $ 3,582,035 |

Investments in the Local Government Investment Pool are valued at fair value. The Local Government Investment Pool is managed by the State of Idaho Treasurer's office. The funds of the pool are invested in certificates of deposit, repurchase agreements, and U.S. government securities. The certificates of deposit are federally insured. The U.S. government securities and the collateral for the repurchase agreements are held in trust by a safekeeping bank.

Risk Exposure
Interest Rate Risk – MRTA 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 – MRTA has no formal investment policy which would further limit its investment choices beyond those stated in the Idaho Code.

MRTA does not currently have any outside investments. Excess cash is deposited into the Idaho Local Government Investment Pool.

Concentration of Credit Risk – MRTA places no formal limits on the amount the Treasurer may invest in any one issuer.

Custodial Credit Risk, Deposits – Custodial credit risk is the risk that funds would be lost in the event of bank failure. Bank balances in excess of the FDIC insured amount of $ 250,000 are subject to custodial credit risk. MRTA working policy is to limit custodial credit risk by limiting balances in checking accounts to operational needs and transferring the remaining amounts to the Idaho Local Government Investment Pool.

## NOTE 3 – CAPITAL ASSETS

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

| | Beginning Balances | Increases | Decreases | Ending Balances |
|---|---|---|---|---|
| **Governmental Activities:** | | | | |
| Land | $ 441,608 | $ | | $ 441,608 |
| Construction in Progress | 0 | 2,114,850 | | 2,114,850 |
| *Capital Assets being depreciated:* | | | | |
| Buildings and Improvements | 5,673,075 | | | 5,673,075 |
| Vehicles | 14,902,565 | 23,315 | (174,958) | 14,750,922 |
| Office Equipment | 28,831 | | | 28,831 |
| Other Machinery and Equipment | 471,183 | 50,623 | | 521,806 |
| Total | 21,517,262 | 2,188,788 | (174,958) | 23,531,092 |
| Less: Accumulated Depreciation: | | | | |
| Buildings and Improvements | (1,952,678) | (208,876) | | (2,161,554) |
| Vehicles | (5,276,122) | (1,151,120) | 148,287 | (6,278,955) |
| Office Equipment | (24,940) | (4,543) | | (29,483) |
| Other Machinery and Equipment | (237,981) | (90,276) | | (328,257) |
| Total Accumulated Depreciation | (7,491,721) | (1,454,815) | 148,287 | (8,798,249) |
| Governmental capital assets, net | $ 14,025,541 | $ 733,973 | $ (26,671) | $ 14,732,843 |

## NOTE 4 – ACCRUED COMPENSATED ABSENCES

This amount includes personal leave time earned by employees, but not used as of fiscal year end.

## NOTE 5 – EMPLOYEE RETIREMENT PLAN

MRTA has a noncontributory defined contribution pension plan covering substantially all employees who have been employed for the lesser of twelve months or 1,000 hours. MRTA's contributions are made at the discretion of the board of directors. Vesting of accrued benefits occurs at the rate of 20% after two years of service, plus 20% for each year of service, thereafter. Contributions to the plan for the years ended September 30, 2024, 2023 and 2022 were $136,044, $169,680, and $152,192, respectively.

## NOTE 6 – COMMITMENTS AND CONTINGENCIES

MRTA receives a significant portion of its support from the cities of Ketchum and Sun Valley. Should the cities decrease their share of participation, MRTA would be forced to find other sources of revenue or make a significant reduction in services.

## NOTE 7 – RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the fiscal year, the Authority contracted with Idaho County Risk Management Program (ICRMP) for property, crime and fleet insurance and the State Insurance Fund for Worker's compensation. The current year policy expires October 1, 2024 and has been renewed with ICRMP through September 30, 2025. The policy coverages include property, crime, general liability, automobile liability and public officials.

## NOTE 8 – ENVIRONMENTAL FACTORS

MRTA owns land and facilities to provide repair and maintenance of their transportation equipment. These items carry a responsibility for environmental issues, which, if violated, would be a liability to MRTA. There has been no environmental study to determine the existence of any such liabilities.

## NOTE 9 – SUBSEQUENT EVENTS

Subsequent events were evaluated through the date of the auditor's report, which is the date the financial statements were available to be issued.

**REQUIRED**
**SUPPLEMENTARY INFORMATION**

**MOUNTAIN RIDES TRANSPORTATION AUTHORITY**
**Schedule of Revenues, Expenditures and Changes in Fund Balances**
**Budget and Actual -- General Fund**
**for the year ended September 30, 2024**

| | Original Budget Amounts | Final Budget Amounts | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|---|---|---|---|
| REVENUE: | | | | |
| Federal Funding | $ 2,157,012 | $ 2,157,012 | $ 2,116,491 | $ (40,521) |
| State Funding | 0 | 0 | | 0 |
| Local Funding | 1,906,950 | 1,906,950 | 1,928,110 | 21,160 |
| Fare Revenues | 200,000 | 200,000 | 238,177 | 38,177 |
| Charter Bus and Bike Share Revenue | 0 | 0 | 0 | 0 |
| Workforce Housing Revenue | 0 | 0 | | 0 |
| Advertising | 90,000 | 90,000 | 92,758 | 2,758 |
| Interest Income | 4,000 | 4,000 | 68,335 | 64,335 |
| Proceeds on Sale of Assets | 0 | 0 | | 0 |
| Priviate Donations | 1,000 | 1,000 | 38,000 | 37,000 |
| Other Revenues | 0 | | 1,867 | 1,867 |
| Total Revenue | 4,358,962 | 4,358,962 | 4,483,738 | 124,776 |
| EXPENDITURES: | | | | |
| Wages and Benefits | 3,180,061 | 3,180,061 | 2,950,553 | 229,508 |
| Fuel | 500,000 | 500,000 | 305,865 | 194,135 |
| Repairs and Maintenance | 233,100 | 233,100 | 180,271 | 52,829 |
| Utilities | 35,000 | 35,000 | 27,286 | 7,714 |
| Contracted Services | 39,000 | 39,000 | 27,517 | 11,483 |
| Marketing and Promotion | 61,409 | 61,409 | 49,829 | 11,580 |
| Insurance | 194,244 | 194,244 | 188,133 | 6,111 |
| Capital Expenditures | 20,400 | 20,400 | 25,913 | (5,513) |
| Supplies | 34,000 | 34,000 | 26,778 | 7,222 |
| Travel and Training | 33,950 | 33,950 | 48,921 | (14,971) |
| Business Expenses | 16,200 | 16,200 | 14,458 | 1,742 |
| Printing and Reproduction | 19,000 | 19,000 | 16,035 | 2,965 |
| Communications | 45,300 | 45,300 | 33,403 | 11,897 |
| Total Expenditures | 4,411,664 | 4,411,664 | 3,894,962 | 516,702 |
| EXCESS REVENUE (EXPENDITURES) | (52,702) | (52,702) | 588,776 | 641,478 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Operating transfers from other funds | 10,000 | 10,000 | | (10,000) |
| Operating transfers (to) other funds | 0 | | | 0 |
| NET CHANGE IN FUND BALANCES | (42,702) | (42,702) | 588,776 | 631,478 |
| FUND BALANCE - BEGINNING | 1,780,812 | 1,780,812 | 1,780,812 | 0 |
| FUND BALANCE - ENDING | $ 1,738,110 | $ 1,738,110 | $ 2,369,588 | $ 631,478 |

**MOUNTAIN RIDES TRANSPORTATION AUTHORITY**
**Schedule of Revenues, Expenditures and Changes in Fund Balances**
**Budget and Actual -- Capital Reserve Fund**
**for the year ended September 30, 2024**

| | Original Budget Amounts | Final Budget Amounts | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|---|---|---|---|
| REVENUE: | | | | |
| Federal Funding | $ 5,669,000 | $ 5,669,000 | $ 1,423,131 | $ (4,245,869) |
| State Funding | 0 | 0 | 0 | 0 |
| Local Funding | 1,095,000 | 1,095,000 | 845,000 | (250,000) |
| Fare Revenues | | | | 0 |
| Charter Bus and Bike Share Revenue | | | | 0 |
| Workforce Housing Revenue | | | | 0 |
| Advertising | | | | 0 |
| Interest Income | 1,100 | 1,100 | 72,436 | 71,336 |
| Proceeds on Sale of Assets | 0 | 0 | 21,259 | 21,259 |
| Other Revenues | 10,000 | 10,000 | 6,711 | (3,289) |
| Total Revenue | 6,775,100 | 6,775,100 | 2,368,537 | (4,406,563) |
| EXPENDITURES: | | | | |
| Wages and Benefits | | | | 0 |
| Fuel | | | | 0 |
| Repairs and Maintenance | | | | 0 |
| Utilities | | | | 0 |
| Contracted Services | | | | 0 |
| Marketing and Promotion | | | | 0 |
| Insurance | | | | 0 |
| Capital Expenditures | 7,238,250 | 7,238,250 | 2,237,264 | 5,000,986 |
| Supplies | | | | 0 |
| Travel and Training | | | | 0 |
| Printing and Reproduction | | | | 0 |
| Miscellaneous | | | | 0 |
| Total Expenditures | 7,238,250 | 7,238,250 | 2,237,264 | 5,000,986 |
| EXCESS REVENUE (EXPENDITURES) | (463,150) | (463,150) | 131,273 | 594,423 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Operating transfers from other funds | | | | 0 |
| Operating transfers (to) other funds | | | | 0 |
| NET CHANGE IN FUND BALANCES | (463,150) | (463,150) | 131,273 | 594,423 |
| FUND BALANCE - BEGINNING | 1,451,292 | 1,451,292 | 1,451,292 | 0 |
| FUND BALANCE - ENDING | $ 988,142 | $ 988,142 | $ 1,582,565 | $ 594,423 |

**MOUNTAIN RIDES TRANSPORTATION AUTHORITY**
**Schedule of Revenues, Expenditures and Changes in Fund Balances**
**Budget and Actual -- Work Force Housing Fund**
**for the year ended September 30, 2024**

| | Original Budget Amounts | Final Budget Amounts | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|---|---|---|---|
| REVENUE: | | | | |
| Federal Funding | $ | $ | $ | $ 0 |
| State Funding | | | | 0 |
| Local Funding | | | | 0 |
| Fare Revenues | | | | 0 |
| Charter Bus and Bike Share Revenue | | | | 0 |
| Workforce Housing Revenue | 32,400 | 32,400 | 28,050 | (4,350) |
| Advertising | | | | 0 |
| Interest Income | 500 | 500 | 1,012 | 512 |
| Proceeds on Sale of Assets | | | | 0 |
| Other Revenues | 700 | 700 | 993 | 293 |
| Total Revenue | 33,600 | 33,600 | 30,055 | (3,545) |
| EXPENDITURES: | | | | |
| Wages and Benefits | | | | 0 |
| Fuel | | | | 0 |
| Repairs and Maintenance | 15,800 | 15,800 | 12,272 | 3,528 |
| Utilities | 7,800 | 7,800 | 7,572 | 228 |
| Contracted Services | | | | 0 |
| Marketing and Promotion | | | | 0 |
| Insurance | | | | 0 |
| Capital Expenditures | | | | 0 |
| Supplies | | | | 0 |
| Travel and Training | | | | 0 |
| Printing and Reproduction | | | | 0 |
| Miscellaneous | | | | 0 |
| Total Expenditures | 23,600 | 23,600 | 19,844 | 3,756 |
| EXCESS REVENUE (EXPENDITURES) | 10,000 | 10,000 | 10,211 | 211 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Operating transfers from other funds | | | | 0 |
| Operating transfers (to) other funds | (10,000) | (10,000) | | 10,000 |
| NET CHANGE IN FUND BALANCES | 0 | 0 | 10,211 | 10,211 |
| FUND BALANCE - BEGINNING | 30,339 | 30,339 | 30,339 | 0 |
| FUND BALANCE - ENDING | $ 30,339 | $ 30,339 | $ 40,550 | $ 10,211 |

**MOUNTAIN RIDES TRANSPORTATION AUTHORITY**
**BLAINE COUNTY, IDAHO**

**Schedule of Expenditures of Federal Awards**
**for the year ended September 30, 2024**

| Federal Grantor/Pass-through Grantor/Program Title | Catalog of Federal Domestic Assistance Number | Expenditures During Audit Period | Totals |
|---|---|---|---|
| ***Federal Transit - Cluster*** | | | |
| U.S. Department of Transportation: | | | |
| Buses and Bus Facilities Programs | 20.526 | $ 1,423,131 | |
| Total | | | $ 1,423,131 |
| ***Other Programs*** | | | |
| U.S. Department of Transportation: | | | |
| Formula Grants for Rural Areas | 20.509 | 2,057,012 | |
| U.S. Department of Transportation: | | | |
| Rural Transportation Assistance Program | 20.509 | 64,029 | |
| Total | | | 2,121,041 |
| Total All Programs | | | $ 3,544,172 |

**MOUNTAIN RIDES TRANSPORTATION AUTHORITY**
**BLAINE COUNTY, IDAHO**

**Schedule of Expenditures of Federal Awards**
**for the year ended September 30, 2024**

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Mountain Rides Transportation Authority. The Information in this Schedule is presented in accordance with the requirements of Title 2 U.S.Code of Federal Regulations Part 200, Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Mountain Rides Transportation Authority, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Authority.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 - DE MINIMIS INDIRECT COST RATE

The Mountain Rides Transportation Authority has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

The examination of the records of the Mountain Rides Transportation Authority for the year ended September 30, 2023 revealed no areas of comments, findings or questioned costs.

SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS

The examination of the records of the Mountain Rides Transportation Authority for the year ended September 30, 2024 revealed no areas of comments, findings or questioned costs.

**MOUNTAIN RIDES TRANSPORTATION AUTHORITY**
**Year Ended September 30, 2024**
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

## Section 1 – Summary of Auditor's Results

### Financial Statements

| | |
|---|---|
| Type of auditor's report issued: | Unmodified |
| Internal control over financial reporting: | |
| Material weakness(es) identified? | __ yes X No |
| Significant deficiencies identified that are not considered to be material weakness(es) | __ yes X None reported |
| Noncompliance material to financial statements noted? | __ yes X No |

### Federal Awards

| | |
|---|---|
| Internal control over major programs: | |
| Material weakness(es) identified? | __ yes X No |
| Significant deficiencies identified that are not considered to be material weakness(es) | __ yes X None reported |
| Type of auditor's report issued on compliance for major programs: | Unmodified |
| Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516? | __ yes X No |

### Identification of major programs:

| ***Other Programs*** | **Federal CFDA Number** |
|---|---|
| U.S. Department of Transportation Formula Grant for Rural Area Program | 20.509 |

| | |
|---|---|
| Dollar threshold used to distinguish between type A and type B programs: | $ 750,000 |
| Auditee qualified as low-risk auditee? | X Yes __ no |

## Section II – Financial Statement Findings

No significant deficiencies, material weaknesses, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements were reported.

## Section III – Federal Award Findings and Questioned Costs

No significant deficiencies, material weaknesses, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements were reported.

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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*

December 2, 2024

Board of Directors
Mountain Rides Transportation Authority
Ketchum, 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, the business-type activities, each major fund, and the aggregate remaining fund information of Mountain Rides Transportation Authority (Authority), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated December 2, 2024.

### *Internal Control Over Financial Reporting*

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the 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 Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority'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 Authority'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 may exist that have not been identified.

### *Compliance and Other Matters*

As part of obtaining reasonable assurance about whether the Authority'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 determination of financial statement amounts. 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*.

Report Continued—

***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 Authority'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 Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Workman & Company*

WORKMAN AND COMPANY
Certified Public Accountants
Twin Falls, Idaho

WORKMAN & COMPANY | Office of Accounting

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

December 2, 2024

Board of Directors
Mountain Rides Transportation Authority
Ketchum, Idaho

**Report on Compliance for Each Major Federal Program**

We have audited the Mountain Rides Transportation Authority's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Mountain Rides Transportation Authority's major federal programs for the year ended September 30, 2024. Mountain Rides Transportation Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Mountain Rides Transportation Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Mountain Rides Transportation Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Mountain Rides Transportation Authority's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the Mountain Rides Transportation Authority, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2024.

***Other Matters***

The results of our auditing procedures disclosed no instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance.

**Report on Internal Control over Compliance**

Management of the Mountain Rides Transportation Authority, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Mountain Rides Transportation Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Mountain Rides Transportation Authority's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Workman & Company*

WORKMAN AND COMPANY
Certified Public Accountants
Twin Falls, Idaho