Cambridge Fire Protection District

Year Ended September 30, 2024

Audited Financial Statements



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Quest CPAs PLLC

CAMBRIDGE FIRE PROTECTION DISTRICT
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Independent Auditor's Report

Board of Commissioners
Cambridge Fire Protection District

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Cambridge Fire Protection District (the District) as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of September 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

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Auditor's Responsibility 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 if internal control. Misstatements are considered material if there is a substantial likelihood that individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Management has not included the management's discussion and analysis information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such information, although not 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, and historical context. Our opinion on the basic financial statements is not affected by not including this information.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated January 16, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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.

Quest CPAs PLLC

Payette, Idaho
January 16, 2025

CAMBRIDGE FIRE PROTECTION DISTRICT
Statement of Net Position
September 30, 2024

	Governmental Activities
Assets	
Current Assets	
Cash	$293,857
Taxes Receivable	2,116
Total Current Assets	295,973
Noncurrent Assets	
Nondepreciable Capital Assets	70,000
Depreciable Net Capital Assets	1,077,624
Total Noncurrent Assets	1,147,624
Total Assets	$1,443,597
Liabilities	
Current Liabilities	
Long-Term Liabilities, Current	$19,606
Total Current Liabilities	19,606
Noncurrent Liabilities	
Long-Term Liabilities, Noncurrent	554,286
Total Noncurrent Liabilities	554,286
Total Liabilities	573,892
Net Position	
Net Investment in Capital Assets	573,732
Restricted - Debt Service	12,188
Unrestricted	283,785
Total Net Position	869,705
Total Liabilities and Net Position	$1,443,597

CAMBRIDGE FIRE PROTECTION DISTRICT

Statement of Activities

Year Ended September 30, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue And Changes in Net Position
		Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	Governmental Activities
Governmental Activities					
Current Expenditures					
Administration	$9,266		$3,021		($6,245)
Building Maintenance	3,570		1,164		(2,406)
Equipment Maintenance	11,718		3,821		(7,897)
Fuel	635		207		(428)
Insurance	10,087		3,289		(6,798)
Professional Services	0				0
Utilities	1,876		612		(1,264)
Debt Service - Interest	12,603				(12,603)
Capital Assets	23,270				(23,270)
Total	$73,025	$0	$12,113	$0	(60,912)
	General Revenues				
	Tax Revenue				81,898
	Other				7,500
	Total				89,398
	Change in Net Position				28,486
	Net Position - Beginning				841,219
	Net Position - Ending				$869,705

See Accompanying Notes

CAMBRIDGE FIRE PROTECTION DISTRICT
Balance Sheet - Governmental Funds
September 30, 2024

	General Fund	Debt Service Fund	Total Governmental Funds
Assets			
Cash	$282,650	$11,207	$293,857
Taxes Receivable	1,135	981	2,116
Total Assets	$283,785	$12,188	$295,973
Deferred Inflows of Resources			
Unavailable Tax Revenues	$1,127	$975	$2,102
Total Deferred Inflows of Resources	1,127	975	2,102
Fund Balances			
Restricted - Debt Service		11,213	11,213
Unassigned	282,658		282,658
Total Fund Balances	282,658	11,213	293,871
Total Deferred Inflows of Resources and Fund Balances	$283,785	$12,188	$295,973

CAMBRIDGE FIRE PROTECTION DISTRICT
Balance Sheet - Governmental Funds
September 30, 2024

Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities

Total Governmental Fund Balances	$293,871
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	1,147,624
Certain receivables are not available to pay for current period expenditures and therefore are deferred in the funds.	2,102
Long-term liabilities, including accrued interest, are not due and payable in the current period and therefore are not reported in the funds.	(573,892)
Net Position of Governmental Activities	$869,705

CAMBRIDGE FIRE PROTECTION DISTRICT

Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds

Year Ended September 30, 2024

	General Fund	Debt Service Fund	Total Governmental Funds
Revenues			
Tax Revenue	$47,817	$31,979	$79,796
Grants & Other	19,613		19,613
Total Revenues	67,430	31,979	99,409
Expenditures			
Current Expenditures			
Administration	9,266		9,266
Building Maintenance	3,570		3,570
Equipment Maintenance	11,718		11,718
Fuel	635		635
Insurance	10,087		10,087
Professional Services			0
Utilities	1,876		1,876
Capital Outlay	120,361		120,361
Debt Service		31,801	31,801
Total Expenditures	157,513	31,801	189,314
Net Change in Fund Balances	(90,083)	178	(89,905)
Fund Balance - Beginning	372,741	11,035	383,776
Fund Balance - Ending	$282,658	$11,213	$293,871

Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds
Year Ended September 30, 2024

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to the Statement of Activities	
Net Change in Fund Balances - Total Governmental Funds	($89,905)
Amounts reported for governmental activities in the statement of activities are different because:	
Government funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the excess of capital outlays over (under) depreciation expense in the current period less any dispositions.	97,091
Revenues in the statement of activities that do not provide current financial resources are deferred in the funds.	2,102
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term debt in the statement of net position.	19,198
Change in Net Position of Governmental Activities	$28,486

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity – Cambridge Fire Protection District (the District) provides fire protection and related emergency services as authorized by Idaho Code. These financial statements are prepared in accordance with generally accepted accounting principles (GAAP) as applied to fire districts. The governmental accounting standards board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (statements and interpretations). The more significant accounting policies established in GAAP and used by the District are discussed below.

Basic Financial Statements - Government-Wide Statements – The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both government-wide and fund financial statements categorize primary activities as either governmental or business type. Currently, all the District's activities are categorized as governmental activities.

In the government-wide statement of net position, the activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations.

The government-wide statement of activities reports both the gross and net cost of each of the District's functions. The functions are also supported by general government revenues as reported in the statement of activities. The statement of activities reduces gross expenses (including depreciation when recorded) by related program revenues and operating and capital grants. Program revenues must be directly associated with the function. Internal activity between funds (when two or more funds are involved) is eliminated in the government-wide statement of activities. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reports capital-specific grants.

The net costs (by function) are normally covered by general revenues.

As the District has only one function (providing fire protection and related emergency services) which is reported in one fund, all expenses are considered direct and, accordingly, there is no allocation of indirect costs.

The government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities.

Basic Financial Statements - Fund Financial Statements – The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures/expenses.

The emphasis in fund financial statements is on the major funds. Nonmajor funds by category are summarized into a single column. Generally accepted accounting principles set forth minimum criteria (percentage of assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues or expenditures/expenses of the funds) for the determination of major funds.

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. Major governmental funds of the District include:

General Fund – The general fund is the District's primary operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

Debt Service Fund – The debt service fund is used to account for the accumulation of funds for the periodic payment of principal and interest on long term debt.

Basis of Accounting – Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Activities in the government-wide and fiduciary fund financial statements are presented on the full accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual (when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or within thirty days after year end. Expenditures are recorded when the related fund liability is incurred. Exceptions to this general rule include principal and interest on long-term debt which, if any, are recognized when due and payable.

Receivables – Receivables are reported net of any estimated uncollectible amounts.

Inventories – Material supplies on hand at year end are stated at the lower of cost or net realizable value using the first-in, first-out method.

Capital Assets and Depreciation Capital assets purchased or acquired with an original cost of $5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation over the estimated useful lives of all depreciable assets is recorded using the straight line method.

Deferred Outflows/Inflows of Resources – The District's financial statements may report deferred outflows/inflows of resources. Deferred outflows of resources represent a consumption of net assets that apply to a future period. Deferred inflows of resources represent an acquisition of net assets that apply to a future period. Deferred outflows/inflows of resources generally represent amounts that are not available in the current period.

Net Position – Net position is assets plus deferred outflows of resources less liabilities less deferred inflows of resources. The net investment in capital assets component of net position consists of the historical cost of capital assets less accumulated depreciation less any outstanding debt that was used to finance those assets plus deferred outflows of resources less deferred inflows of resources related to those assets. Restricted net position consists of assets that are restricted by creditors, grantors, contributors, legislation, and other parties. All other net position not reported as restricted or net investment in capital assets is reported as unrestricted.

Fund Balance Classifications – Restrictions of the fund balance indicate portions that are legally or contractually segregated for a specific future use. Nonspendable portions of the fund balance are those amounts that cannot be spent because they are in a nonspendable form or because they are legally or

contractually required to be maintained intact. Committed portions represent amounts that can only be used for specific purposes pursuant to formal action (i.e. board approval) of the reporting entity's governing body. Assigned portions represent amounts that are constrained by the government's intent to be used for a specific purpose. Remaining fund balances are reported as unassigned. When expenditures are incurred that qualify for either restricted or unrestricted resources, the District first utilizes restricted resources. When expenditures are incurred that qualify for either committed or assigned or unassigned resources, the District first utilizes committed resources then assigned resources before using unassigned resources.

Property Taxes – The District is responsible for levying property taxes, but the taxes are collected by the respective county. Taxes are levied by the second Monday in September for each calendar year. Taxes are due in two installments – December 20th and June 20th. A lien is filed on real property three years from the date of delinquency.

Contingent Liabilities – Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

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

Custodial Credit Risk – The District maintains its cash at insured financial institutions. Periodically, balances may exceed federally insured limits. The District does not have a formal policy concerning custodial credit risk.

Risk Management – The District is exposed to various risks related to its operations. Insurance is utilized to the extent practical to minimize these risks.

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.

B. CASH

Cash consists of the following at year end:

Cash - Deposits	$293,857
Total	$293,857

Deposits – At year end, the carrying amounts of the District's deposits were $293,857 and the bank balances were $293,880. Of the bank balances, $250,000 was insured and the remainder was uninsured and uncollateralized.

Investments – State statutes authorize government entities to invest in certain bonds, notes, accounts, investment pools, and other obligations of the state, U.S. Treasury, and U.S. corporations pursuant to Idaho Code 67-1210 and 67-1210A. These statutes are designed to help minimize the custodial risk that deposits may not be returned in the event of the failure of the issuer or other counterparty, interest rate risk resulting

from fair value losses arising from rising interest rates, or credit risks that an issuer or other counterparty will not fulfill its obligations. The District's investment policy complies with state statutes.

C. CAPITAL ASSETS

A summary of capital assets for the year is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Nondepreciable Capital Assets				
Land	$70,000			$70,000
Construction in Progress	0			0
Total	70,000	$0	$0	70,000
Depreciable Capital Assets				
Buildings	1,043,120	120,361		1,163,481
Equipment				0
Subtotal	1,043,120	120,361	0	1,163,481
Accumulated Depreciation				
Buildings	62,587	23,270		85,857
Equipment				0
Subtotal	62,587	23,270	0	85,857
Total	980,533	97,091	0	1,077,624
Net Capital Assets	$1,050,533	$97,091	$0	$1,147,624

Depreciation expense of $23,270 was charged to the capital assets program.

D. LONG-TERM LIABILITIES

Bonded Debt – At year end, the District's bonded debt was as follows:

	Outstanding
2021 - $700,000 - general obligation bonds for capital improvements due in annual principal installments and annual interest payments, with interest at 2.125% through 2050/51, secured by future taxes, paid through the debt service	$573,892
Total	$573,892

Maturities on the bonds are estimated as follows:

Year Ended	Principal	Interest
9/30/25	$19,606	$12,195
9/30/26	20,022	11,779
9/30/27	20,448	11,353
9/30/28	20,882	10,919
9/30/29	21,326	10,475
9/30/30-34	113,623	45,382
9/30/35-39	126,221	32,784
9/30/40-44	140,213	18,792
9/30/45-47	91,551	3,917
Total	$573,892	$157,596

Changes in long-term liabilities are as follows:

Description	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
GO Bond	$593,090		$19,198	$573,892	$19,606
Total	$593,090	$0	$19,198	$573,892	$19,606

Interest and related costs during the year amounted to $12,603 and was charged to the debt service – interest program.

E. TAX ABATEMENTS

Idaho counties are authorized by state statute to transact certain property tax activity with property owners in their respective taxing districts. The counties collect the property taxes, then allocate and remit those collections among the taxing districts within the counties. The counties are authorized to cancel or reduce property taxes due to various reasons, including the circuit breaker program, agricultural and other exemptions, and section 63-602NN exemptions under Idaho code for real property improvements.

CAMBRIDGE FIRE PROTECTION DISTRICT

Budgetary Comparison Schedule - General Fund

Year Ended September 30, 2024

General Fund	Budgeted Amounts (GAAP Basis) Original	Budgeted Amounts (GAAP Basis) Final	Actual Amounts	Final Budget Variance Positive (Negative)	
Revenues					
Tax Revenue	$71,405	$71,405	$47,817	($23,588)	
Grants & Other	40,000	40,000	19,613	(20,387)	
Total Revenues	111,405	111,405	67,430	(43,975)	
Expenditures					
Current Expenditures					
Administration	5,000	5,000	9,266	(4,266)	
Building Maintenance	5,000	5,000	3,570	1,430	
Equipment Maintenance	10,000	10,000	11,718	(1,718)	
Fuel	3,000	3,000	635	2,365	
Insurance	12,000	12,000	10,087	1,913	
Professional Services	10,000	10,000	0	10,000	
Utilities	4,000	4,000	1,876	2,124	
Capital Outlay	440,643	440,643	120,361	320,282	
Debt Service	31,801	31,801	0	31,801	
Total Expenditures	521,444	521,444	157,513	363,931	*
Net Change in Fund Balances	(410,039)	(410,039)	(90,083)	319,956	
Fund Balances - Beginning	410,039	410,039	372,741	(37,298)	
Fund Balances - Ending	$0	$0	$282,658	$282,658	
		**Total expenditures (over) under appropriations.*		$363,931	

Quest CPAs PLLC
Quality Expertise Service Timeliness

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*

Board of Commissioners
Cambridge Fire Protection 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 each major fund of Cambridge Fire Protection District (the District) as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated January 16, 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 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses as 2020-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

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

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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 Finding

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

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 District's internal control or compliance. This 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. Accordingly, this communication is not suitable for any other purpose.

Quest CPAs PLLC

Payette, Idaho
January 16, 2025

FINDINGS - FINANCIAL STATEMENT AUDIT

Significant Deficiency

2020-001 Segregation of Duties

Condition – Although the District has implemented various checks and balances in internal control to the degree possible given available staff, it does not have a complete segregation of duties over assets.

Criteria – Inherent in an ideal internal control structure is a complete segregation of duties over assets.

Cause – This situation is due to staffing limitations common to an entity this size.

Effect – The lack of a complete segregation of duties may increase the risk that a loss of assets would not be detected and prevented in a timely manner and in the normal course of operations.

Recommendation – It is requested that the District take note that this situation exists and consider resolving it with the use of additional staff oversight and involvement in the accounting process.

Views of Responsible Officials and Planned Corrective Actions – Management has taken steps to improve in this area insofar as is possible with an entity this size. However, substantial changes cannot be expected until the benefits are deemed to outweigh the costs of involving/hiring additional staff.

FINDINGS – FINANCIAL STATEMENT AUDIT

Significant Deficiency

2020-001 Segregation of Duties

Condition – Although the District has implemented various checks and balances in internal control to the degree possible given available staff, it does not have a complete segregation of duties over assets.

Recommendation – It is requested that the District take note that this situation exists and consider resolving it with the use of additional staff oversight and involvement in the accounting process.

Current Status – Management has taken steps to improve in this area insofar as is possible with an entity this size. However, substantial changes cannot be expected until the benefits are deemed to outweigh the costs of involving/hiring additional staff.