CAREY FIRE PROTECTION DISTRICT

Financial Statements

Years Ended September 30, 2024

CAREY FIRE PROTECTION DISTRICT
CAREY, IDAHO
for the years ended September 30, 2024 and 2023

Table of Contents

Independent Auditor's Report 1-2

Statement of Net Position 3

Statement of Revenues, Expenses and Changes in Net Position 4

Statement of Cash Flows 5

Notes to the Financial Statements 6-8

Budgetary Comparison Schedules 9-10

Report on Compliance and on Internal Control 11-13

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2190 Village Park Avenue, Suite 300 • Twin Falls, ID 83301 • 208.733.1161 • Fax: 208.733.6100

INDEPENDENT AUDITOR'S REPORT

December 20, 2024

Board of Commissioners
Carey Fire Protection District
Carey, Idaho

Opinions

We have audited the accompanying financial statements of the governmental activities of the Carey Fire Protection District, as of and for the year ended September 30, 2024, and 2023, and the related notes to the financial statements, which collectively comprise the Carey Fire Protection 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 of the Carey Fire Protection District, as of September 30, 2024, and 2023, 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 Carey Fire Protection 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, 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 Carey Fire Protection District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's 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 Carey Fire Protection 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 Carey Fire Protection 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 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, budgetary comparison information on pages 9-10 be presented to supplement the basic financial statements. Management has omitted a management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2024, on our consideration of the Carey Fire Protection District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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Workman & Company

WORKMAN AND COMPANY
Certified Public Accountants
Twin Falls, Idaho

CAREY FIRE PROTECTION DISTRICT
CAREY, IDAHO
Statement of Net Position
at September 30, 2024 and 2023

ASSETS

	2024	2023
Current Assets:		
Cash	$ 232,432	$ 277,724
Cash EMS	70,713	74,718
Taxes and Other Receivable	14,312	4,856
Inventory - Truck Foam	28,754	28,754
Total Current Assets	346,211	386,052
Capital Assets:		
Buildings	278,854	263,140
Vehicles	421,047	405,478
Equipment	486,741	412,527
Total Capital Assets	1,186,642	1,081,145
Less: Accumulated Depreciation	(739,695)	(683,362)
Net Capital Assets	446,947	397,783
Total Assets	$ 793,158	$ 783,835

LIABILITIES AND NET POSITION

Current Liabilities:		
Accrued Expenses Payable	$ 34,496	$ 0
Current Portion Long-Term Debt	0	0
Total Current Liabilities	34,496	0
Noncurrent Liabilities and Deferred Revenues:		
Prepaid Lease Income	40,000	45,000
Total Liabilities and Deferred Revenues	74,496	45,000
Net Position:		
Invested in Capital Assets Net of Related Debt	446,947	397,783
Restricted for EMS	48,476	41,772
Unrestricted	223,239	299,280
Total Net Position	$ 718,662	$ 738,835

The accompanying notes are a part of these financial statements.

CAREY FIRE PROTECTION DISTRICT
CAREY, IDAHO
Statement of Revenues, Expenses,
and Changes in Net Position
for the years ended September 30, 2024 and 2023

	2024	2023
Operating Revenues:		
Tax Revenues	$ 185,601	$ 168,545
BLM Fees and Other Reimbursements	11,191	12,268
Grants and Contributions	28,594	1,000
Plan Check Fees	7,617	6,846
County Emergency Medical Services Income	98,736	98,736
Miscellaneous	6,751	4,031
Total Operating Revenue:	338,490	291,426
Operating Expenses:		
Advertising	116	19
Communications	49,195	17,215
Dues and Subscriptions	1,158	1,079
Fuel	4,595	7,094
Insurance	6,557	11,000
Office Supplies	1,018	1,070
Professional Fees	1,650	1,877
Repairs and Maintenance	72,179	36,113
Supplies	25,032	41,405
Telephone and Utilities	19,424	23,458
Labor and Taxes	107,545	110,906
Training	2,532	12,138
Uniforms and Protective Clothing	27,074	21,785
Depreciation	56,333	44,704
Total Operating Expenses	374,408	329,863
Operating Income	(35,918)	(38,437)
Interest Income	15,745	12,931
Gain(Loss) on Sale of Fixed Assets		
Net Income	(20,173)	(25,506)
Total Net Position - Beginning	738,835	764,341
Total Net Position - Ending	$ 718,662	$ 738,835

The accompanying notes are a part of these financial statements.

CAREY FIRE PROTECTION DISTRICT
CAREY, IDAHO
Statement of Cash Flows
for the years ended September 30, 2024 and 2023

	2024	2023
Cash Flows From Operating Activities:		
Receipts from other governments and customers	$ 316,911	$ 280,306
Payments to suppliers and vendors	(176,034)	(142,299)
Payments to employees and volunteers	(107,545)	(110,906)
Other receipts	6,751	3,531
Net cash provided (used) by operations	40,083	30,632
Cash Flows From Capital Related Financing Activities:		
Proceeds from sales of capital assets		1,500
Purchase and construction of capital assets	(105,125)	(55,783)
Net cash used by capital and related financing activities	(105,125)	(54,283)
Cash Flows From Investing Activities:		
Interest Income	15,745	12,931
Net Increase (Decrease) in Cash and Equivalents	(49,297)	(10,720)
Balances - Beginning of the year	352,442	363,162
Balances - Ending of the year	$ 303,145	$ 352,442
Displayed as:		
Cash	24,519	39,578
Investments	278,627	312,864
Balances - Ending of the year	$ 303,146	$ 352,442
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:		
Operating Income (Loss)	(35,918)	(38,437)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation expense	56,333	44,704
Change in assets and liabilities:		
Change in Taxes and Other Receivables	(14,828)	(1,909)
Change in Inventory		31,954
Accrued expenses payable	34,496	(5,680)
Net Cash Provided (Used) by Operating Activities:	$ 40,083	$ 30,632

The accompanying notes are a part of these financial statements.

CAREY FIRE PROTECTION DISTRICT
CAREY, IDAHO
NOTES TO THE FINANCIAL STATEMENTS
At September 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization and Operations

The Carey Fire Protection District (District) was formed June 6, 1951 as a fire protection district organized and existing under and by virtue of the laws of the State of Idaho, for the purpose of emergency services in the area of fire suppression and protection for the citizens in and around the area of Carey, Blaine County, Idaho.

Fund Accounting

The financial activities of the District are recorded in an Enterprise Fund. Enterprise funds are used to account for those operations that are financed and operated in a manner similar to private business or where the board has decided that the determination of revenues earned, costs incurred, and/or net income is necessary for management accountability.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accompanying financial statements have been prepared using the accrual basis of accounting for all funds. Accordingly, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Cash Deposits and Investments

Cash deposits and investments consist of a checking and savings accounts in a local federally insured bank.

Accounts Receivable

Accounts receivable represent minor amounts due from taxes assessed and levied by Blaine County for the funding of the District. There are no accounts receivables at the balance sheet date that are material to the financial statements.

Inventory

The District has purchased excess supplies to be used in fire suppression and containment. The amount on hand at the financial statement date is recorded at cost.

Continued -

Fixed Assets

Fixed assets purchased are recorded as capital assets at the time of purchase. Such assets are recorded at cost.

Depreciation of property and equipment is computed by the straight-line method based upon the estimated useful lives of the assets as follows:

Class	Life
Buildings	40 years
Vehicles	15 years
Furniture, Fixtures, & Equipment	10 years

It is the policy of the District to capitalize assets costing $1,000 or more.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures.

Cash Equivalents

For the statement of cash flows, all unrestricted investment instruments which consist of, but not limited to, certificates of deposit at local banks are cash equivalents.

NOTE 2 - FIXED ASSETS

A summary of changes in fixed assets is as follows:

	Beginning Balance Oct 1	Additions	Deletions	Ending Balance Sept 30
Buildings and Improvements	$ 263,139	15,715		$ 278,854
Vehicles	405,602	15,445		421,047
Furnishings/Equip	412,776	73,965		486,741
Total	1,081,517	105,125	0	1,186,642
Accumulated Depreciation	(683,362)	(56,333)		(739,695)
Net	$ 398,155	$ 48,792	$ 0	$ 446,947

Continued -

NOTE 3 – CASH AND DEPOSITS

Deposits: Custodial credit risk, in the case of deposits, is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District has no deposit policy for custodial credit risk. At year end, none of the District's bank balance was exposed to custodial credit risk because it was not insured by the FDIC.

Investments: Custodial credit risk, in the case of investments, is the risk that in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At year end, the District held no investments.

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District manages its exposure to interest rate risk by complying with the Idaho code which requires that the remaining term to maturity of investments do not exceed the period of availability of the funds invested.

Credit Risk: The District's policy is to comply with Idaho State statutes which authorize the District to invest in obligations of the United States, obligations of the State or any taxing district in the State, obligations issued by the Farm Credit System, obligations of public corporations of the State of Idaho, repurchase agreements, tax anticipation notes of the State or taxing district in the State, time deposits, savings deposits, revenue bonds of institutions of higher education, and the State Treasurer's Pool.

Interest rate risk and concentration of *credit risk:* The District has no policy regarding these two investment risk categories.

For the purpose of the statement of cash flows on page 5 of these financial statements, cash and cash equivalents include the cash in the operating checking account. The amounts are federally insured by FDIC insurance on the first $250,000 of funds held by the banks. These cash funds are liquid upon request.

NOTE 4 - RISK MANAGEMENT

A District 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 District contracted with VFIS, a division of Glatfelter Insurance Group for property, crime and fleet insurance and the State Insurance Fund for workman’s compensation. Under the terms of the VFIS policy, the Carey Fire Protection District’s liability is covered by amounts deemed reasonable by the Board of Commissioners. There has been no significant reduction in insurance coverage in the current year. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

NOTE 5 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

CAREY FIRE PROTECTION DISTRICT
Budgetary Comparison Schedule
District Accounts
for the year ended September 30, 2024

	Original and Final Budget	Actual	Variance with Budget Favorable (Unfavorable)
REVENUES:			
Property taxes	$ 169,121	$ 185,601	$ 16,480
Plan Check Fees	5,000	7,617	2,617
Contributions and Grants	1,500	13,435	11,935
BLM Fees and Other Reimbursements	5,000	11,191	6,191
Interest Income		12,080	12,080
Miscellaneous and Interest		5,743	5,743
Total Revenues	180,621	235,667	55,046
EXPENDITURES:			
Advertising	1,500	116	1,384
Communications	10,500	39,668	(29,168)
Dues and Subscriptions	1,100	769	331
Fuel	5,500	3,468	2,032
Insurance	9,000	6,557	2,443
Office Supplies	900	509	391
Labor and Taxes	55,000	41,554	13,446
Professional Fees	2,500	825	1,675
Uniforms and Protective Clothing	22,000	26,855	(4,855)
Repairs and Maintenance	27,000	60,715	(33,715)
Supplies	5,500	671	4,829
Training	6,000	1,296	4,704
Telephone and Utilities	20,000	13,986	6,014
Miscellaneous	2,500		2,500
Capital Expenditures/Depreciation	11,621	85,408	(73,787)
Total Expenditures	180,621	282,397	(101,776)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	0	(46,730)	$ (46,730)
Add: Capital Expenditures		85,408	
Less: Current Depreciation		(36,616)	
Change in Net Position Current Year	0	2,062	
Beginning - Net Position	697,066	697,066	
Ending - Net Position	$ 697,066	$ 699,128	

The accompanying notes are a part of these financial statements.

CAREY FIRE PROTECTION DISTRICT
Budgetary Comparison Schedule
Emergency Medical Services
for the year ended September 30, 2024

	Original and Final Budget	Actual	Variance with Budget Positive (Negative)
REVENUES:			
QRU Income	$ 98,736	$ 98,736	$ 0
Contributions and Grants	0	15,159	15,159
Interest Income		3,665	3,665
Miscellaneous	0	1,006	1,006
Total Revenues	98,736	118,566	19,830
EXPENDITURES:			
Immunizations/EMS	1,000		1,000
Communications	10,115	9,527	588
Dues and Subscriptions		389	(389)
Fuel	2,900	1,127	1,773
Insurance			0
Office Supplies		509	(509)
Labor and Taxes	56,276	65,991	(9,715)
Professional		825	(825)
Uniforms and Protective Clothing		219	(219)
Repairs and Maintenance	5,645	11,464	(5,819)
Supplies	11,800	24,361	(12,561)
Training	5,000	1,236	3,764
Telephone and Utilities	6,000	5,438	562
Miscellaneous			0
Captial Expenditures/Depreciation		19,717	(19,717)
Total Expenditures	98,736	140,803	(42,067)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	0	(22,237)	$ (22,237)
Add: Capital Expenditures		19,717	
Less: Current Depreciation		(19,717)	
Change in Net Position Current Year	0	(22,237)	
Beginning - Net Position	41,772	41,772	
Ending - Net Position	$ 41,772	$ 19,535	

The accompanying notes are a part of these financial statements.

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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 20, 2024

To the Board of Commissioners
Carey Fire Protection District
Carey, Idaho

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities of the Carey Fire Protection District, as of and for the years ended September 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Carey Fire Protection District's basic financial statements, and have issued our report thereon dated December 20, 2024.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did identify certain deficiencies in internal control that we consider to be material weaknesses and have described these in the accompanying schedule of findings and responses (2024-1&2).

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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WORKMAN AND COMPANY
Certified Public Accountants
Twin Falls, Idaho

CAREY FIRE PROTECTION DISTRICT

Schedule of Findings and Responses

For the Year Ended September 30, 2024

Finding 2024-1: Lack of segregation of duties

Condition: The District lacks a segregation of duties over accounting functions, including stewardship of cash and deposits.

Criteria: Inherent in an adequate internal control structure is a segregation of duties governing the overall administration and stewardship of assets.

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

Recommendation: It is suggested the District take such actions as hiring additional personnel to assist in accounting duties, including the reconciling of cash and cash equivalents.

Response: District management believes the cost of hiring additional personnel outweighs the benefit to be derived as mitigating controls are currently in place such as Council review of all disbursements, two signatures required on all checks, and monthly Board of Director's review of financial reports prepared by the District Treasurer.

Finding 2024-2: Preparation of Financial Statements (Material Weakness)

Criteria: A good system of internal accounting control contemplates an adequate system for recording and processing entries material to the financial statements, and the ability to internally prepare their financial statements.

Condition: The District does not have an internal control system designed to provide for the preparation of the financial statements being audited. The auditors were requested to, and did draft the District's financial statements, and accompanying notes to the financial statements.

Cause: The District does not have an internal control system designed to provide for the preparation of the financial statements being audited.

Effect: The financial disclosures in the financial could be incomplete.

Recommendation: This circumstance is not unusual in a District of your size. It is the responsibility of management and those charged with governance to make the decision whether to accept the degree of risk associated with this condition because of cost or other considerations.

Views of Responsible Officials: The District agrees that having an internal control system over financial reporting is an important part of the District's overall internal control process. The District has performed a cost/benefit analysis of implementing these controls and concluded the resources were not in place to effectively implement the necessary changes for the year ended September 30, 2024.