NORTH BLAINE COUNTY FIRE DISTRICT

Financial Statements

Years Ended September 30, 2024

NORTH BLAINE COUNTY FIRE DISTRICT
SUN VALLEY, IDAHO
for the year ended September 30, 2024

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INDEPENDENT AUDITOR'S REPORT

November 20, 2024

Board of Commissioners
North Blaine County Fire District
Sun Valley, Idaho

Opinions

We have audited the accompanying financial statements of the government activities of the North Blaine County Fire District, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the North Blaine County Fire 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 government activities of the North Blaine County Fire District, as of September 30, 2024, and the respective changes in cash basis financial position for the year then ended in accordance with the cash basis of accounting described in note1.

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 North Blaine County Fire 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 North Blaine County Fire 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 North Blaine County Fire 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 North Blaine County Fire 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 and budgetary comparison information on page 9 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 November 20, 2024, on our consideration of the North Blaine County Fire 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.

Other Information

We draw attention to Note 1 of the financial statements that describes the basis of accounting. The financial statements are prepared in accordance with the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

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WORKMAN AND COMPANY
Certified Public Accountants
Twin Falls, Idaho

NORTH BLAINE COUNTY FIRE DISTRICT
Statement of Net Position and Governmental Fund Balance Sheet - Cash Basis
For the year ended September 30, 2024

	Governmental Fund General Fund	Adjustments	Statement of Net Position
Assets:			
Cash and cash equivalents	$ 1,023,772	$	$ 1,023,772
Total assets	$ 1,023,772	$	$ 1,023,772
Fund Balance / Net Position			
Fund balance			
Unassigned	$ 1,023,772	$ (1,023,772)	
Total fund balance	$ 1,023,772	$ (1,023,772)	
Net Position			
Unrestricted		$ 1,023,772	$ 1,023,772
Total net position		$ 1,023,772	$ 1,023,772

The accompanying notes are a part of these financial statements

NORTH BLAINE COUNTY FIRE DISTRICT
Statement of Activities and Governmental Fund Receipts, Disbursements,
and Changes in Fund Balances - Cash Basis
For the year ended September 30, 2024

	Governmental Fund General Fund	Adjustments	Statement of Activities
Disbursements:			
Contracts for services	$ 412,387	$	$ 412,387
Insurance	7,633		7,633
Professional fees	6,445		6,445
Supplies	32,683		32,683
Maintenance and repairs	61,600		61,600
Utilities	26,491		26,491
Debt service payments	146,066		146,066
Capital outlay	124,081		124,081
Total disbursements	817,386		817,386
Program Receipts:			
Impact fees	82,875		82,875
Housing fees	68,810		68,810
Grant receipts	0		0
Permits and reimbursements	2,739		2,739
Total program receipts	154,424		154,424
Net program disbursement	(662,962)		(662,962)
General Receipts:			
Property taxes	502,390		502,390
Sales tax	28,285		28,285
Interest earnings on investments	55,279		55,279
Total general receipts	585,954		585,954
Excess of receipts of disbursements	(77,008)	77,008	
Increase in net position		(77,008)	(77,008)
Fund Balance / Net Position			
Beginning of the year	1,100,780		1,100,780
End of the Year	$ 1,023,772	$	$ 1,023,772

The accompanying notes are a part of these financial statements

NORTH BLAINE COUTNY FIRE DISTRICT
SUN VALLEY, IDAHO
NOTES TO THE FINANCIAL STATEMENTS
At September 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The North Blaine County Fire District (District) is a fire protection district consisting of patrons from Blaine County. The Board of Commissioners (Board), a three-member group constituting an on-gong entity, is the level of government that has governance responsibilities over all activities within the jurisdiction of the local independent fire protection district. The District receives funding from local and state government sources and must comply with the concomitant requirements of these funding source entities. However, the District is not included in any other governmental "reporting entity" as defined in Section 2100, Codification of Governmental Accounting and Financial Reporting Standards, since board members are elected by the public and have decision making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters.

Government – Wide and Fund Financial Statements

The government – wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the governmental entity. The District has one governmental fund for financial statement presentation purposes.

The statement of activities demonstrates the degree to which the direct disbursement of a given function are offset by program receipts. Direct disbursements are those that are clearly identifiable with a specific function. Program receipts include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program receipts are reported instead as general receipts.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government – wide and governmental fund financial statements are presented in accordance with a cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) as established by the Governmental Accounting Standards Board. This basis of accounting involves the reporting of only cash and cash equivalents and the changes therein resulting from cash inflows (cash receipts) and cash outflows (cash disbursements) reported in the period in which they occurred.

This cash basis of accounting differs from GAAP primarily because revenues (cash receipts) are recognized when received in cash rather than when earned and susceptible to accrual, and expenditures or expenses (cash disbursements) are recognized when paid rather than when incurred or subject to accrual. As a result, only cash and cash equivalents and related net position or fund balances arising from cash transactions are reported in the statements of net position and balance sheets. All other economic assets, deferred outflows of resources, liabilities, and deferred inflows of resources that would be reported in GAAP basis financial statements are not reported in this cash basis presentation.

Continued -

The district reports the following major governmental fund:

> The general fund is the District's primary operating fund. It accounts for all financial recourses of the general government.

Amounts reported as program receipts include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general receipts rather than as program receipts. Likewise, general receipts include all taxes.

Fund balance classifications are hierarchical and are based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the funds may be spent. Application of the statement requires the District to classify and report amounts in the appropriate fund balance classifications. The District's accounting and finance policies are used to interpret the nature and/or requirements of the funds and their corresponding assignment of nonspendable, restricted, committed, assigned, or unassigned. The District permits funds to be expended in the following order: Nonspendable, Restricted, Committed, Assigned and Unassigned.

The District reports the following classifications:

> Unassigned Fund Balance – Unassigned fund balance is the residual classification for the General Fund. This classification represents General Fund balance that has not been restricted, committed, or assigned to specific purposes within the General Fund.

Deposits

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date to acquisition.

State statute authorizes the District to invest in obligations of the U.S. Treasury, general obligation or revenue bonds of the State or any Idaho County, City, or taxing district, tax anticipation notes, repurchase agreements, time deposit accounts, and the State Treasurer's Investment Pool.

NOTE 2 – STEWARDSHIP COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

Annual budgets are adopted on the cash basis accounting principles for the general fund. All annual appropriations lapse at fiscal year-end.

The Board of Commissioners follows these procedures in establishing the budgetary data reflected in the financial statements:

1. At least 28 days prior to the levy election, the District publishes a proposed budget for public review.
2. Public hearings are set to obtain taxpayers' comments.
3. At least 14 days prior to the levy election, the final budget is adopted by resolution of the board and published.

Continued –

4. Prior to September 1, the final budget is filed with the county commissioners.
5. At least 120 days prior to the close of the fiscal year, a revised budget is prepared, adopted and published reflecting updated information received through that date. This is also filed with the County.

Fund	Budgeted Appropriations Expenditures
General Fund	$ 836,370

Encumbrance accounting methods were not used in the preparation of the District's financial statements. Uncommitted appropriations lapse at year-end and commitments are re-appropriated in the next year's budget.

NOTE 3 – DETAILED NOTES

Deposits

The following is a summary of the District's deposit balances as of September 30, 2024:

Government-wide Statement of Net Position	Totals
Bank Deposits – Insured	$ 59,645
State Treasurer's Investment Pool	970,782
Total	$ 1,030,427

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. The entire bank balance was covered by depository insurance.

Property Tax

The District's property tax is levied each October on the value listed as the prior January 1 for all real property located in the District. The lien date is effective January 1 of the year the property tax is levied. A revaluation of all property is required to be completed no less than every five years. Under Idaho Code Section 31-4318 the District's maintenance and operation levy may not exceed .06% of the actual or adjusted market value for assessment purposes as a December 31 of the previous year. Taxes are due in two equal installments on December 20 and June 20 following the levy date. The county provides tax settlements to the District in monthly statements.

Continued –

NOTE 4 – OTHER INFORMATION

Contracted Services

The District contracted with the City of Sun Valley, Idaho to answer fire calls and provide fire protection services to the citizens of the District.

The agreement calls for annual obligations to the City of Sun Valley, Idaho paid in two installments, payable February 1 and August 1 of each year. Each payment is for one half of the contracted amount. The District also reimburses the City of Sun Valley for any expenses in addition to the contract, these expenses are small and include portions of cell phone bills and incidental supplies.

Risk Management

The 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 for which the district carries commercial insurance. Amounts of settlements have not exceeded insurance coverage in the past three years.

Environmental Issues

The District owns several fire station buildings. These carry a responsibility for environmental issues that, if violated, would be a liability to the District. There has been no environmental study of the District to determine the existence of any such liabilities.

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.

NOTE 6 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended September 30, 2024, expenditures did not exceed appropriations in the General Fund.

NOTE 7 – FIRE TRUCK LOAN

During the 2021 fiscal year the District purchased a new Pierce fire engine for $714,004. The purchase was financed by a note through Zions Bank in the same amount. The loan calls for annual installment payments in the amount of $78,167.

REQUIRED
SUPPLEMENTARY INFORMATION

NORTH BLAINE COUNTY FIRE DISTRICT
Budgetary Comparison Schedule
Cash Basis - General Fund
for the year ended September 30, 2024

	Original and Final Budget	Actual	Variance with Budget Favorable (Unfavorable)
Disbursements:			
Contracts for services	$ 413,070	$ 412,387	$ 683
Insurance	7,650	7,633	17
Professional fees	11,000	6,445	4,555
Supplies	46,850	32,683	14,167
Maintenance and repairs	63,500	61,600	1,900
Utilities	28,200	26,491	1,709
Miscellaneous disbursements	0	0	0
Debt Service payments	146,100	146,066	34
Capital outlay	120,000	124,081	(4,081)
Total disbursements	836,370	817,386	18,984
Receipts:			
Property taxes	500,370	502,390	2,020
Impact fees	86,000	82,875	(3,125)
Housing fees	70,000	68,810	(1,190)
Sales tax	29,000	28,285	(715)
Earnings on investments	50,000	55,279	5,279
Permits and Reimbursements	1,000	2,739	1,739
Total receipts	736,370	740,378	4,008
EXCESS OF DISBURSEMENTS OVER RECEIPTS	(100,000)	(77,008)	$ 22,992
Fund Balance / Net Position			
Beginning of the year	1,100,780	1,100,780	
End of the year	$ 1,000,780	$ 1,023,772	$ 22,992

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*

November 20, 2024

To the Board of Commissioners
North Blaine County Fire District
Sun Valley, 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 North Blaine County Fire District (the District), as of and for the years 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 November 20, 2024. The financial statements were prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

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) 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. 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).

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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

NORTH BLAINE COUNTY FIRE 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 cash equivalents.

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

Cause: The District does not have an internal control system designed to provide for segregation of duties over the accounting function.

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 Commissioner review of all disbursements, two signatures required on all checks, and monthly Commissioner review of financial reports prepared by the District Clerk.