Sagle Fire District

Financial Report
September 30, 2024

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DeCoria & Company PC
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

Board of Commissioners
Sagle Fire District
Sandpoint, Idaho

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the General Fund of Sagle Fire 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 financial position of the governmental activities and the General Fund of the District, as of September 30, 2024, and the respective changes in financial position thereof, for the year then ended, in accordance with governmental 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 the 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 District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used 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 schedule on page 23 and the schedules of employer's share of the net pension liability and employer contributions on pages 25 and 26, respectively, 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, which 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.

Management has not presented Management's Discussion and Analysis that governmental 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, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a separate report dated December 30, 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 and grant agreements and other matters. The purpose of that report is 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 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 Matters

The District's financial statements as of and for the year ended September 30, 2023 were audited by other auditors whose report, dated September 23, 2024, expressed an unmodified opinion on those financial statements.

DeCoria & Company, PC

DeCoria & Company, PC
Evanston, Wyoming

December 30, 2025

Basic Financial Statements

Sagle Fire District
Governmental Fund Balance Sheet/Statement of Net Position
September 30, 2024

	Governmental Fund Balance Sheet	Adjustments (Note 13)	Statement of Net Position
ASSETS			
Current assets:			
Cash and cash equivalents (Note 6)	$ 259,816	$ -	$ 259,816
Investments (Note 7)	1,166,636	-	1,166,636
Receivables (Note 8)	2,264,165	-	2,264,165
Total current assets	3,690,617	-	3,690,617
Noncurrent assets:			
Capital assets, net (Note 9)	-	1,217,885	1,217,885
Total noncurrent assets	-	1,217,885	1,217,885
Total assets	3,690,617	1,217,885	4,908,502
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to the net pension liability (Note 12)	-	57,867	57,867
Total deferred outflows of resources	-	57,867	57,867
Total assets and deferred outflows of resources	$ 3,690,617		
LIABILITIES			
Current liabilities:			
Accounts payable	$ 71,522	-	71,522
Accrued payroll and related liabilities	116,190	-	116,190
Unearned property tax revenue (Note 8)	1,913,858	-	1,913,858
Unearned grant revenue	939	-	939
Compensated absences, due within one year (Note 11)	-	37,324	37,324
Total current liabilities	2,102,509	37,324	2,139,833
Noncurrent liabilities:			
Compensated absences, due after one year (Note 11)	-	151,257	151,257
Net pension liability (Note 12)	-	3,618	3,618
Total noncurrent liabilities	-	154,875	154,875
Total liabilities	2,102,509	192,199	2,294,708
DEFERRED INFLOWS OF RESOURCES			
Unavailable property tax revenue (Note 8)	41,751	(41,751)	-
Deferred inflows related to the net pension liability (Note 12)	-	143,864	143,864
Total deferred inflows of resources	41,751	102,113	143,864
Commitments and contingencies (Notes 15)			
FUND BALANCE			
Unassigned	1,546,357	(1,546,357)	-
Total fund balance	1,546,357	(1,546,357)	-
Total liabilities, deferred inflows of resources and fund balance	$ 3,690,617		
NET POSITION			
Net investment in capital assets		1,217,885	1,217,885
Unrestricted		1,309,912	1,309,912
Total net position		$ 2,527,797	$ 2,527,797

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

Sagle Fire District
Statement of Governmental Fund Revenues, Expenditures and Changes in Fund Balance/Statement of Activities
Year Ended September 30, 2024

	Statement of Governmental Fund Revenues, Expenditures and Changes in Fund Balance	Adjustments (Note 14)	Statement of Activities
REVENUES			
Taxes, primarily property	$ 1,910,115	$ 31,297	$ 1,941,412
Other income	401,089	-	401,089
Grants and contributions	19,450	-	19,450
Interest income	77,602	-	77,602
Total revenues	2,408,256	31,297	2,439,553
EXPENDITURES/EXPENSES			
Salaries and benefits	659,352	50,244	709,596
Professional services	1,036,759	-	1,036,759
Vehicle equipment maintenance	147,390	(1,929)	145,461
Fire operations	59,519	-	59,519
Insurance	22,397	-	22,397
Utilities	19,681	-	19,681
Station repairs and maintenance	42,714	-	42,714
Communications expense	21,113	-	21,113
Office expense	42,255	-	42,255
Grant expenditures	15,000	(15,000)	-
Miscellaneous	799	-	799
General and administrative	8,397	-	8,397
Depreciation and amortization expense (Note 9)	-	123,082	123,082
Total expenditures/expenses	2,075,376	156,397	2,231,773
Excess (deficiency) of revenues over (under) expenditures/expenses	332,880	(125,100)	207,780
Net changes in fund balance	332,880	(332,880)	
Changes in net position		207,780	207,780
FUND BALANCE/NET POSITION			
Beginning of year	1,213,477	-	2,320,017
End of year	$ 1,546,357	$ -	$ 2,527,797

1. Organization

Sagle Fire District ("the District") is a local governmental unit governed by a five-member Board of Commissioners. The District provides fire protection and specialized fire rescue operations within the specific boundaries adjacent to and including Sagle, Idaho. The District previously operated under a Joint Powers Agreement (JPA) with the City of Sandpoint and Westside Fire District (Westside) for the purpose of establishing a joint fire service operating under the name of Selkirk Fire Rescue and EMS Service. Effective June 30, 2024, the City of Sandpoint withdrew from the JPA.

Effective July 1, 2024, the District and Westside established a new Joint Powers Agreement for the purpose of serving the geographic areas within the combined boundaries of the District and Westside. The two districts will continue to operate under the name of Selkirk Fire Rescue and EMS Service ("Selkirk"). Each party continues to fund and support Selkirk in the same manner they had funded and supported their respective fire services prior to the agreement. Administrative costs are shared between the parties.

The District's financial statements include the accounts of all District operations. The District meets the criteria established by the Governmental Accounting Standards Board (GASB) to be considered a primary governmental entity for financial reporting purposes. Component units are legally separate organizations that are financially accountable to, or dependent on, the primary government. The District has no component units and is not a component unit of any other governmental unit based on the criteria established by the GASB.

2. District-Wide and Fund Financial Statements

GASB Statement No. 34, *Basic Financial Statements — and Management's Discussion and Analysis — for State and Local Governments* (GASB No. 34) defines the financial reporting requirements and the reporting model for the annual financial reports of state and local governments. The financial information required by GASB No. 34 includes:

Management's Discussion and Analysis

The management's discussion and analysis introduces the basic financial statements and provides an analytical overview of the District's financial activities in a narrative format. An analysis of the District's overall financial position and results of operations is included to assist users in assessing whether the District's financial position has improved or deteriorated as a result of the year's activities.

District-Wide Financial Statements

The district-wide financial statements, including the Statement of Net Position and the Statement of Activities, report information on all of the activities of the District. Governmental transactions are generally financed through taxes, intergovernmental revenues and other nonexchange transactions.

Depreciation and amortization is presented in its entirety on the Statement of Activities. No depreciation and amortization has been allocated to any of the District's specific functions.

2. District-Wide and Fund Financial Statements, Continued

Budgetary Comparison Schedule

The budgetary comparison schedule is presented as supplementary information to demonstrate whether resources were obtained and used in accordance with the District's legally adopted budget (see Note 4). The District may revise the original budget over the course of the year for various reasons. Under the reporting model prescribed by GASB No. 34, budgetary information provides comparisons of the District's original adopted budget to the final budget and actual results.

3. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The Statement of Net Position and Statement of Activities are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Under the accrual basis, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements and donations. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements stipulated by the provider have been met and satisfied.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be measurable when the amount of the transaction can be determined and available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims, judgments, compensated absences, and early retirement liabilities, which are recognized to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds from long-term debt and acquisitions under capital leases are reported as other financing sources.

The General Fund is the sole operating fund of the District. It is used to account for all financial resources of the District. This is a budgeted fund and any unassigned fund balances are considered as resources available for use.

4. Budgetary Information

The District's budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP). An annual appropriated budget is adopted for the General Fund. All annual appropriations lapse at year-end.

The following procedures are followed in establishing the budgetary data reflected in the financial statements:

a) The District publishes a proposed budget for public review and hearings before it is adopted.
b) Prior to October 1, the budget is adopted by the Board of Commissioners and published.
c) The final budget is then filed with the State of Idaho. Expenditures may not legally exceed budgeted appropriations at the functional level. The legal level of budgetary control is the functional level at which the Commissioners must approve any over-expenditures of appropriations or transfers of appropriated amounts.

5. Summary of Significant Accounting Policies

Accounting Principles Generally Accepted in the United States of America

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles and standards. The District has adopted and applied all applicable GASB pronouncements, including GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*.

Recently Adopted Accounting Pronouncement

In June 2022, the GASB issued Statement No. 101, *Compensated Absences* (GASB 101). The statement establishes a unified model for the recognition and measurement of all types of compensated absences. Under GASB 101, governments are required to recognize a liability for leave that has not been used if the leave is attributable to services already rendered, accumulates, and is more likely than not to be used for time off or otherwise paid or settled. Certain types of leave (e.g., parental, military, and jury duty leave) are excluded from recognition until the leave commences. The statement also revises disclosure requirements, including allowing the presentation of only net changes in the liability for compensated absences and eliminating certain fund-level disclosure requirements. This statement is effective for fiscal years beginning after December 15, 2023. The District adopted this guidance during the year beginning October 1, 2023.

Cash and Cash Equivalents

The District considers all short-term deposits and highly liquid investments with original maturities of three months or less when purchased to be cash equivalents. Deposits with the Idaho State Treasurer's Local Government Investment Pool (LGIP) are available on demand.

Investments

The District has no formal investment policy that has been established by the Board of Commissioners. Investments include the Idaho State Treasurer's Local Government Investment Pool (LGIP), which is stated at fair market value, which approximates cost, and consists of local certificates of deposit, repurchase agreements and U.S. government securities.

Receivables

Receivables are stated at the amount management expects to collect from outstanding balances. When considered necessary, management provides for probable uncollectible amounts through an allowance for doubtful accounts based on its assessment of the current status of individual receivables from grants, contracts, and others. Balances which are still outstanding after management has used reasonable collection efforts are written off through a charge to the allowance for doubtful accounts and a credit to the applicable accounts receivable. Because management expects all September 30, 2024 receivables to be collectible, no allowance for doubtful accounts has been provided as of that date.

5. Summary of Significant Accounting Policies, Continued

Capital Assets

Capital assets are reported in the Statement of Net Position at historical cost, less accumulated depreciation and amortization. If historical cost is unknown, estimated historical cost is used. Donated capital assets are recorded at estimated fair market value at the date of donation, less accumulated depreciation and amortization. The District uses a capitalization threshold of $5,000 for most assets; items such as self-contained breathing apparatuses over $15,000 (total value of a group) are capitalized as well. Normal maintenance and repairs are charged to expense as incurred. When capital assets are sold or otherwise disposed of, the cost and associated accumulated depreciation and amortization are removed from the respective accounts, and the resulting gain or loss, if any, is recorded in the Statement of Activities.

Depreciation and amortization are calculated on capital assets using the straight-line method over the estimated useful lives of those assets, as follows:

	Years
Buildings and improvements	20 to 40
Equipment and vehicles	7 to 20

Fair Value Measurements

GASB Statement No. 72, *Fair Value Measurements and Application*, establishes a fair value hierarchy for those assets and liabilities measured at fair value, that distinguishes between assumptions based on market data (observable inputs) and the District's own assumptions (unobservable inputs). The hierarchy consists of: Level 1 – quoted market prices in active markets for identical instruments; Level 2 – inputs other than Level 1 inputs that are observable; and Level 3 – unobservable inputs developed using estimates and assumptions determined by the District.

At September 30, 2024, the assets and liabilities of the District that were measured at fair value on a recurring basis are summarized as follows:

	Level 1	Level 2	Level 3	Total
Investments in the LGIP	$ 1,166,636	$ --	$ --	$ 1,166,636

Certain assets and liabilities are measured at fair value on a nonrecurring basis; that is, the instruments are not measured at fair value on an ongoing basis, but are subject to fair value adjustments only in certain circumstances (for example, when there is evidence of impairment). The District had no assets or liabilities measured at fair value on a nonrecurring basis during 2024.

Liabilities

Liabilities shown on the Governmental Fund Balance Sheet are those that have become due and payable at the end of the fiscal year, which are expected to be paid during the upcoming fiscal year, and are reported as an expenditure and fund liability. On the district-wide financial statements, liabilities that become due and payable within one year after the financial statement date are included in current liabilities, while liabilities that become due and payable after that time are shown as noncurrent liabilities.

5. Summary of Significant Accounting Policies, Continued

Pensions

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

Property Taxes

In accordance with Idaho State Law, an ad valorem property tax is levied in September for each calendar year. Taxes are recorded by the District using the modified accrual basis of accounting. Levies are made on the second Monday of September. All of the personal property taxes are due on or before June 20 of the following year. One-half of the real property taxes and personal property taxes are due on or before December 20 of the current year and June 20 of the following year. Property taxes attach as an enforceable lien on property as of January 1 of the following year. Notice of foreclosure is filed with the County Clerk on property three years from the date of delinquency. The property tax revenue is budgeted for the ensuing fiscal year. Bonner County acts as an agent for the District in both the assessment and collection of property taxes. The County remits tax revenues to the District monthly, with the majority of the collections being remitted in January and July.

Because the District is not a taxing entity, property taxes that are collected on the District's behalf by the County are recorded as receivables. In the governmental funds financial statements, property taxes are recorded as revenue in the period for which the taxes are levied, to the extent that they are both measurable and available. Property taxes receivable which are not collected within 60 days after the financial statement date are reflected in the fund financial statements as deferred inflows of resources. In the district-wide financial statements, all property taxes receivable, regardless of when they are collected, are recorded as revenue in the period for which the taxes are levied.

Grant Revenue

The District receives financial assistance from governmental agencies in the form of grants. Revenue is deemed earned and thus recognized when applicable program expenditures are recorded. Grant funds received but not earned, if any, at September 30, 2024 are recorded as unearned revenue.

Donated Services

Donated services are recognized as contributions if the services either create or enhance non-financial assets or require specialized skills, which are performed by people with those skills, and would otherwise be purchased by the District. Some members of the Board and the community have donated significant amounts of their time in furthering the District's programs and objectives. No amounts have been included in the financial statements for donated services since they do not meet the criteria for recognition under professional accounting standards.

5. Summary of Significant Accounting Policies, Continued

Net Position

Net position represents the difference between assets plus deferred outflows, and liabilities plus deferred inflows. Net position is comprised of the various net earnings from operating income, nonoperating revenues and expenses, and capital contributions. Net position is classified in the following components.

Net investment in capital assets – This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position – This component of net position consists of amounts subject to constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position – This component of net position consists of amounts that do not meet the definition of "net investment in capital assets" or "restricted net position."

Use of Restricted Resources

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Balance

GASB Statement No. 54, *Fund Balance Reporting and Government Fund Type Definitions* (GASB No. 54), defines the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB No. 54 requires the fund balance amounts to be properly reported within one of the following fund balance classifications:

Nonspendable: The portion of fund balance that is not expected to be converted to cash, such as inventories and prepaid expenses, if any;

Restricted: The portion of fund balance that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation;

Committed: The portion of fund balance that can be used only for the specific purposes determined by a formal action of the District's Board of Commissioners (the District's highest level of decision-making authority);

Assigned: The portion of fund balance that is intended to be used by the District for specific purposes, but does not meet the criteria to be classified as restricted or committed; and

Unassigned: The residual portion of fund balance for the District's General Fund, which includes all spendable amounts not included in the other categories.

5. Summary of Significant Accounting Policies, Continued

Fund Balance Spending Policy

The District's policy is to apply expenditures from the most restrictive fund balance category, excluding nonspendable, to the least restrictive fund balance category, as follows: restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance. Nonspendable fund balance is adjusted at year-end based on inventory and prepaid expense balances, if any.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is not employed as an extension of the formal budgetary process in the General Fund.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management of the District to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Accordingly, actual results could differ from those estimates and affect the amounts reported in the financial statements.

Subsequent Events

The District has evaluated subsequent events through December 30, 2025, the date these financial statements were available to be issued. No material subsequent events have occurred since September 30, 2024 that required recognition or disclosure in these financial statements.

6. Cash and Cash Equivalents

The District's cash and cash equivalents consist of cash on hand, and deposits held in checking and savings accounts with a local bank. 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's deposits are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 per institution.

The carrying amount of cash and cash equivalents on the District's books at September 30, 2024 was $259,816 and its bank balances were $249,678. The difference between the carrying amount of cash and cash equivalents on the District's books and the bank balances consisted of outstanding checks and deposits not processed by the bank as of September 30, 2024. All the District's bank balances were insured at September 30, 2024.

7. Investments

The District's investments at September 30, 2024 consisted of amounts invested in the LGIP. A summary of the LGIP balances at September 30, 2024 is as follows:

Investment	Maturities	Interest Rate	Fair Value
LGIP	84 days average	n/a	$1,166,636

The District has not adopted a formal investment policy. The LGIP is overseen and managed by the State of Idaho Treasurer's Office. All deposits in the LGIP are both uninsured and uncollateralized.

The District's investments are subject to the following types of risk:

Interest Rate Risk: The District 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: State law limits investments to obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements, and State of Idaho investment pools and funds. The District has no investment policy that would further limit its investment choices. At September 30, 2024, the District's investments in the Idaho State Local Government Investment Pool are not rated.

Concentration of Credit Risk: The District places no limit on the amount the District may invest in any one issuer. More than five percent of the District's investments are in the Idaho State Local Government Investment Pool (100% of total investments).

8. Receivables

Receivables at September 30, 2024 are summarized as follows:

Unearned property taxes receivable	$ 1,913,858
Property taxes receivable	7,229
Unavailable property taxes receivable	41,751
Accounts receivable	296,118
Interest receivable	5,209
	$ 2,264,165

Unearned property taxes receivable consist of property taxes levied for the next fiscal year. These amounts have been offset by unearned property tax revenue in the district-wide and governmental fund financial statements.

Property taxes receivable consist of property taxes received within the first 60 days after the end of the District's fiscal year that relate to taxes levied for the current and prior fiscal years.

8. Receivables, Continued

Unavailable property taxes receivable consist of property taxes levied for the current and prior fiscal years, which were not collected within the current period or within the first 60 days after the end of the District's fiscal year. These amounts have been offset by deferred inflows of resources in the governmental fund financial statements.

Accounts receivable consist of amounts due from other fire districts for reimbursement of costs advanced on behalf of those districts and the Idaho Department of Lands for wildland firefighting services provided.

Interest receivable consists of amounts earned on investments that had not been added to the investment balance at September 30, 2024.

9. Capital Assets

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

	Balance September 30, 2023	Additions	Transfers	Disposals	Balance September 30, 2024
Buildings and improvements	$ 848,584	$ --	$ --	$ --	$ 848,584
Equipment and vehicles	1,561,470	16,929	--	--	1,578,399
Capital assets in service	2,410,054	16,929	--	--	2,426,983
Accumulated depreciation and amortization	(1,208,587)	(123,082)	--	--	(1,331,669)
	1,201,467	(106,153)	--	--	1,095,314
Construction in progress	103,571	--	--	--	103,571
Land	19,000	--	--	--	19,000
	$ 1,324,038	$ (106,153)	$ --	$ --	$ 1,217,885

Depreciation and amortization expense for governmental activities has not been allocated to any of the District's individual functions. Rather, the District has included all depreciation and amortization related to governmental activities as a single line item on the Statement of Activities.

10. Short-Term Borrowings

The District had no short-term borrowings at September 30, 2024, nor were there any short-term borrowings or repayments for the year then ended.

11. Compensated Absences

As described in Note 1, the District previously operated under a JPA with the City of Sandpoint and Westside Fire District. In accordance with the terms of the JPA, the District's staff were all employed by the City of Sandpoint. Accordingly, the District had no compensated absences through September 30, 2023.

With the dissolution of the previous JPA and establishment of the new JPA with Westside Fire District, the District became the employer of its staff and the staff of Westside Fire District effective July 1, 2024. A summary of changes in compensated absences for the year ended September 30, 2024 is as follows:

Beginning compensated absences	$ --
Net change	188,581
Ending compensated absences	188,581
Less amount due within one year	(37,324)
Due after one year	$ 151,257

12. Public Employee Retirement System of Idaho Base Plan

Plan Description

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

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

Pension Benefits

The Base Plan provides retirement, disability, death and survivor benefits of eligible members or beneficiaries. Benefits are based on members' years of service, age, and highest average salary. Members become fully vested in their retirement benefits with five years of credited service (five months for elected or appointed officials). Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. The annual service retirement allowance for each month of credited service is 2.0% (2.3% for police/firefighters) of the average monthly salary for the highest consecutive 42 months. Amounts in parenthesis represent police/firefighters.

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

12. Public Employee Retirement System of Idaho Base Plan, Continued

Member and Employer Contributions

Member and employer contributions paid to the Base Plan are set by statute and are established as a percentage of covered compensation and earnings from investments. Contribution rates are determined by the PERSI Board within limitations, as defined by state law. The Board may make periodic changes to employer and employee contribution rates, which are expressed as percentages of annual covered payroll, if current rates are actuarially determined to be inadequate or in excess of the rates needed to accumulate sufficient assets to pay benefits when due.

The contribution rates for employees are set by statute at 60% (72%) of the employer rate. Through June 30, 2023, the required contribution rate as a percentage of covered payroll for members was 7.16% (9.13%). The employer contribution rate is set by the PERSI Board and was 11.94% (12.28%). Beginning July 1, 2023, the rates decreased to 6.71% (9.83%) and 11.18 (13.26%), respectively. Because the District's staff were all employed by the City of Sandpoint through June 30, 2024, the District had no required contributions through that date. Beginning July 1, 2024, the District became the employer of its staff and the staff of Westside. The District's employer contributions paid were $57,566 for the three months ended September 30, 2024.

Pension Liabilities, Pension Expense (Expense Offset), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At September 30, 2024, the District reported a liability of $3,618 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the Base Plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2024, the District's proportionate allocation was .000000967.

For the year ended September 30, 2024, the District recognized net pension expense (expense offset) of $(138,337). At September 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions made subsequent to the measurement date	$ 57,148	$ --
Change in proportionate share	--	143,798
Changes of assumptions or other inputs	143	--
Differences between expected and actual experience	576	--
Net difference between projected and actual earnings on investments	--	66
Total	$ 57,867	$ 143,864

12. Public Employee Retirement System of Idaho Base Plan, Continued

Pension Liabilities, Pension Expense (Expense Offset), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, Continued

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (expense offset) as follows:

Year ending September 30,	
2025	$ (84,527)
2026	(54,564)
2027	(4,191)
2028	137
	$ (143,145)

The amortization of the net difference between projected and actual earnings on investments is amortized over a closed 5-year period, beginning in the current fiscal year. The amortization period for changes in assumptions or other inputs and differences between expected and actual experience is based on the average expected remaining service lives of all employees that are provided with pensions through the System (active and inactive employees). The amortization period, which was determined at July 1, 2023, the beginning of the measurement period ended June 30, 2024, is 4.4 years.

Actuarial Assumptions

Valuations are based on actuarial assumptions, the benefit formulas, and employee groups. Level percentages of payroll normal costs are determined using the Entry Age Normal Cost Method. Under the Entry Age Normal Cost Method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated as a level percentage of each year's earnings of the individual between entry age and assumed exit age. The Base Plan amortizes any unfunded actuarial accrued liability based on a level percentage of payroll. The maximum amortization period for the Base Plan permitted under Section 59-1322, Idaho Code, is 25 years.

The total pension liability in the July 1, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.30%
Salary increases including inflation	3.05%
Investment rate of return, net of investment expenses	6.35%
Cost-of-living adjustments	1.00%

12. Public Employee Retirement System of Idaho Base Plan, Continued

Actuarial Assumptions, Continued

Several different sets of mortality rates are used in the valuation for contributing members, members retired for service and beneficiaries. These rates were adopted for the valuation dated July 1, 2021.

Contributing Members, Service Retirement Members, and Beneficiaries

General Employees and All Beneficiaries - Males	Pub-2010 General Tables, increased 11%.
General Employees and All Beneficiaries - Females	Pub-2010 General Tables, increased 21%.
Teachers - Males	Pub-2010 Teacher Tables, increased 12%.
Teachers - Females	Pub-2010 Teacher Tables, increased 21%.
Fire & Police - Males	Pub-2010 Safety Tables, increased 21%.
Fire & Police - Females	Pub-2010 Safety Tables, increased 26%. 5% of Fire & Police active member deaths are assumed to be duty related. This assumption was adopted July 1, 2021.
Disabled Members - Males	Pub-2010 Disabled Tables, increased 38%.
Disabled Members - Females	Pub-2010 Disabled Tables, increased 36%.

An experience study was performed for the period from July 1, 2015 through June 30, 2020 which reviewed all economic and demographic assumptions other than mortality. The Total Pension Liability as of June 30, 2024 is based on the results of an actuarial valuation date of July 1, 2024.

The long-term expected rate of return on pension plan investments was determined using the building block approach and a forward-looking model in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Even though history provides a valuable perspective for setting the investment return assumption, the System relies primarily on an approach which builds upon the latest capital market assumptions. Specifically, the System uses consultants, investment managers, and trustees to develop capital market assumptions in analyzing the System's asset allocation. The assumptions and the System's formal policy for asset allocation are shown below. The formal asset allocation policy is somewhat more conservative than the current allocation of the System's assets. The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation.

12. Public Employee Retirement System of Idaho Base Plan, Continued

Actuarial Assumptions, Continued

The following are the Board's adopted asset allocation policies for the Pension Trust Funds (DB Plans, adopted November 2019) and for the Sick Leave Insurance Reserve Funds (Sick Leave, adopted March 2021), as of June 30, 2024:

Asset Class	DB Plans	Sick Leave
Fixed Income	30.00%	39.30%
US/Global Equity	55.00%	50.00%
Developed Foreign Equities	15.00%	10.70%
Cash	0.00%	0.00%
Total	100.00%	100.00%

The following capital market assumptions are as of 2024.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	0.00%	0.00%
Large Cap	18.00%	4.50%
Small/Mid Cap	11.00%	4.70%
International Equity	15.00%	4.50%
Emerging Markets Equity	10.00%	4.90%
Domestic Fixed	20.00%	(0.25)%
Treasury Inflation-Protected Securities (TIPS)	10.00%	(0.30)%
Real Estate	8.00%	3.75%
Private Equity	8.00%	6.00%

Discount Rate

The discount rate used to measure the total pension liability was 6.35%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate. Based on these assumptions, the Base Plan's net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return was determined net of pension plan investment expense, but without reduction for pension plan administrative expense.

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability

The following presents the Employer's proportionate share of the net pension liability calculated using the discount rate of 6.35%, as well as what the proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower or higher than the current rate:

	1% Decrease (5.35%)	Current Rate (6.35%)	1% Increase (7.35%)
Employer's proportionate share of the net pension liability	$ 6,876	$ 3,618	$ 958

12. Public Employee Retirement System of Idaho Base Plan, Continued

Payables to the Pension Plan

At September 30, 2024, the District reported zero in payables to the defined benefit pension plan for legally required employer contributions or employee contributions which had been withheld from employee wages but not yet remitted to PERSI.

13. Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position

Adjustments to reconcile the Governmental Fund Balance Sheet to the Statement of Net Position are as follows:

Total fund balance, Governmental Fund Balance Sheet		$ 1,546,357
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental fund:		
The cost of capital assets is	$ 2,549,554	
Accumulated depreciation and amortization is	(1,331,669)	
		1,217,885
Property taxes and accounts receivable will be collected, but are not available soon enough to pay liabilities of the current period, and are therefore deferred inflows of resources in the governmental fund.		41,751
Noncurrent liabilities, including the net pension liability, are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds:		
Compensated absences, due within one year	(37,324)	
Compensated absences, due after one year	(151,257)	
Net pension liability	(3,618)	
		(192,199)
Deferred outflows and deferred inflows of resources pertaining to the net pension liability are not financial resources and therefore are not reported in the governmental fund:		
Deferred outflows related to the net pension liability	57,867	
Deferred inflows related to the net pension liability	(143,864)	
		(85,997)
Total net position, Statement of Net Position		$ 2,527,797

14. Reconciliation of the Statement of Governmental Fund Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities

Adjustments to reconcile the Statement of Governmental Fund Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities are as follows:

Net changes in fund balance, Governmental Fund		$ 332,880
Some property taxes will not be collected until several months after the District's fiscal year end, and therefore are not available to pay liabilities of the current period. Accordingly, they are recorded as deferred inflows of resources. They are however recorded as revenue in the Statement of Activities. The change in deferred inflows of resources in the governmental fund during the 2024 fiscal year is an adjustment.		31,297
Capital outlays to purchase capital assets are reported as expenditures in the governmental fund. In the Statement of Activities, the cost of these assets is allocated over their estimated useful lives as depreciation. Amounts recognized for these items in the current year are as follows:		
Capital outlays	$ 16,929	
Depreciation and amortization expense	(123,082)	
		(106,153)
In the Statement of Activities, certain operating expenses, including compensated absences and net pension expense, are measured by the amount earned or incurred during the year. In the governmental fund, expenditures for these items are measured by the amount of financial resources used (i.e., the amount actually paid). In the current year, the amounts earned exceeded the amounts paid.		(50,244)
Changes in net position, Statement of Activities		$ 207,780

15. Commitments and Contingencies

Insurance

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. The District contracts with an insurance company for property and general liability insurance. The District has no reserve established for the payment of uninsured claims. Expenditures are recognized when amounts are paid. Settled claims did not exceed coverage during any of the past three fiscal years.

The District pays the State Workers' Compensation System a premium at an experience-based rate. This rate is calculated based on accident history and administrative costs.

Health care coverage is provided through Blue Cross.

Litigation

The District is occasionally named as a defendant in lawsuits arising principally in the normal course of operations. The District's management is not aware of any pending claims against the District as of September 30, 2024. The District has no reserve established for the payment of uninsured claims. Expenditures, if any, are recognized when amounts are paid.

Grant Program

The District occasionally receives financial assistance from federal and state governmental agencies in the form of grants, which are governed by various rules and regulations of the grantor agency. The disbursement of funds received under grant programs generally requires compliance with terms and conditions specified in the grant agreement and is subject to audit by the District's independent auditors and other governmental auditors. Therefore, if the District has not complied with the terms and conditions governing the grant, refunds of any money received may be required, and the collectability of any related receivables at September 30, 2024 may be impaired. Based on prior experience, the District's administration believes such amounts, if any, would be immaterial.

Required Supplementary Information

Sagle Fire District
Budgetary Comparison Schedule
Year Ended September 30, 2024

	Budgeted Amounts		Actual Budgetary Basis	Variances Positive/(Negative)	
	Original	Final		Original to Final	Final to Actual
REVENUES					
Taxes, primarily property	$ 1,771,417	$ 1,771,417	$ 1,910,115	$ -	$ 138,698
Other income	70,500	70,500	401,089	-	330,589
Special fees and taxes	-	-	-	-	-
Grants and contributions	-	-	19,450	-	19,450
Interest income	500	500	77,602	-	77,102
Total budgetary revenues	1,842,417	1,842,417	2,408,256	-	565,839
EXPENDITURES					
Salaries and benefits	-	-	659,352	-	(659,352)
Professional services	1,336,227	1,336,227	1,036,759	-	299,468
JPA shared costs	287,010	287,010	-	-	287,010
Vehicle equipment maintenance	-	-	147,390	-	(147,390)
Fire operations	60,587	60,587	59,519	-	1,068
Insurance	-	-	22,397	-	(22,397)
Utilities	-	-	19,681	-	(19,681)
Station repairs and maintenance	-	-	42,714	-	(42,714)
Communications expense	5,500	5,500	21,113	-	(15,613)
Office expense	-	-	42,255	-	(42,255)
Grant expenditures	26,200	26,200	15,000	-	11,200
Miscellaneous	82,010	82,010	799	-	81,211
General and administrative	8,360	8,360	8,397	-	(37)
Total charges to appropriations	1,805,894	1,805,894	2,075,376	-	(269,482)
Budgetary operating income	36,523	36,523	332,880	-	296,357
OTHER FINANCING SOURCES					
Proceeds from sale of capital assets	-	-	-	-	-
Change in budgetary fund balance	36,523	36,523	332,880	-	296,357
Total fund balance, beginning of year	1,213,477	1,213,477	1,213,477	-	-
Total fund balance, end of year	$ 1,250,000	$ 1,250,000	$ 1,546,357	$ -	$ 296,357

See Independent Auditor's Report and Notes to Budgetary Comparison Schedule.

Sagle Fire District
Notes to Budgetary Comparison Schedule
September 30, 2024

1. Basis of Presentation

The budgetary comparison schedule has been prepared on the modified accrual basis of accounting, which is the same basis of accounting used in the governmental fund financial statements. The classification of actual expenditures for the fiscal year ended September 30, 2024 does not correspond with the budgeted amounts, as the budgeted amounts did not anticipate the dissolution of the JPA with the City of Sandpoint and Westside Fire District.

2. Expenditures in Excess of Budgeted Amounts

The modified accrual basis of accounting and the account groupings reflected in the governmental fund financial statements differ from the presentation and account groupings required by Idaho Statutes for Board of Commissioners' budgetary control at the functional level, as described in Note 1 above. As a result, the budgetary comparison schedule for the General Fund at page 23 discloses numerous instances in which actual revenues and expenditures exceeded budgeted revenues and expenditures. The District's actual change in budgetary fund balance exceeded the budgeted amount for the General Fund.

Sagle Fire District
Schedule of Employer's Share of the Net Pension Liability (Asset) - PERSI Base Plan
Last 10 Plan Years

Plan Year	Employer's Portion of NPL	Employer's Proportionate Share of NPL (a)	Employer's Covered Employee Payroll (b)	Employer's NPL as a Percentage of Covered Payroll (a / b)	Plan Net Position as a Percentage of Total Pension Liability
2015	0.000278217	$ 366,367	$ 766,445	47.80%	91.38%
2016	0.000245651	497,972	699,945	71.14%	87.26%
2017	0.000192894	303,196	586,974	51.65%	90.68%
2018	0.000206662	304,830	646,640	47.14%	91.69%
2019	0.000250245	285,648	826,443	34.56%	93.79%
2020	0.000263707	612,363	914,256	66.98%	88.22%
2021	0.000263750	(20,830)	957,973	-2.17%	100.36%
2022	0.000025802	101,629	98,937	102.72%	83.09%
2023	-	-	-	0.00%	83.83%
2024	0.000000967	3,618	406,347	0.89%	85.54%

Data reported is measured as of June 30 of each respective plan year.

Sagle Fire District
Schedule of Employer Contributions - PERSI Base Plan
Last 10 Fiscal Years

Fiscal Year	Statutorily Required Contribution (a)	Actual Employer Contribution (b)	Contribution Excess (Deficiency) (b - a)	Employer's Covered Employee Payroll (c)	Contributions as a Percentage of Covered Employee Payroll (b / c)
2015	$ 89,025	$ 87,854	$ (1,171)	$ 764,663	11.49%
2016	72,731	72,478	(253)	624,925	11.60%
2017	67,260	67,244	(16)	577,912	11.64%
2018	82,565	82,565	-	709,258	11.64%
2019	96,977	96,977	-	822,367	11.79%
2020	116,012	116,012	-	945,962	12.26%
2021	94,920	94,960	40	773,980	12.27%
2022	6,366	6,366	-	51,842	12.28%
2023	-	-	-	-	0.00%
2024	48,599	57,566	8,967	406,347	14.17%

Data reported is measured as of September 30 of each respective fiscal year.

Sagle Fire District
Notes to PERSI Base Plan Schedules
September 30, 2024

1. Changes in Benefit Terms

There were no changes in benefit terms during the Plan year ended June 30, 2024.

2. Changes in Composition of the Population

There were no changes in the composition of the population during the Plan year ended June 30, 2024.

3. Changes in Assumptions

There were no changes in actuarial assumptions during the Plan year ended June 30, 2024.

Compliance Report

DeCoria & Company PC
CERTIFIED PUBLIC ACCOUNTANTS

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
Sagle Fire District
Sagle, Idaho

We have audited, 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, the financial statements of the governmental activities and the General Fund of Sagle Fire 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 December 30, 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) 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 over financial reporting 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 identified a deficiency in internal control, described in the accompanying Schedule of Findings and Responses as Finding 2024-001, 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 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*.

The District's Response to the Finding

Government Auditing Standards require the auditor to perform limited procedures on the District's response to the finding identified in our audit and described in the accompanying Schedule of Findings and Responses. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The sole purpose of this report is 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.

DeCoria & Company, PC

DeCoria & Company, PC
Evanston, Wyoming

December 30, 2025

Sagle Fire District
Schedule of Findings and Responses
Year Ended September 30, 2024

Section I – Summary of Auditor's Results

Financial Statements

The independent auditor's report expressed unmodified opinions on the basic financial statements of Sagle Fire District.

The audit of the financial statements of Sagle Fire District disclosed a significant deficiency in internal control over financial reporting.

The audit of the financial statements of Sagle Fire District disclosed no material weaknesses in internal control over financial reporting.

The audit disclosed no compliance findings material to the financial statements of Sagle Fire District.

Section II – Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of non-compliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

Finding 2024-001

Condition	The size of the District's staff is not large enough to permit a complete segregation of duties for an effective system of internal control over financial reporting.
Criteria	An effective system of internal control over financial reporting requires that closely related duties be segregated.
Effect	The concentration of closely related duties and responsibilities by a small staff makes it difficult to establish a complete system of automatic internal checks on the accuracy and reliability of the accounting records.
Cause	The District's staff is too small to allow a complete segregation of duties.
Recommendation	Although the District's staff is not large enough to permit a complete segregation of duties for an effective system of internal control over financial reporting, we recommend that officials be aware that the condition does exist.
Management's Response	Management and the District's Board of Commissioners are aware of this condition and have made a conscious decision to accept the resulting degree of risk because of cost or other considerations.

Sagle Fire District
Status of Prior Year Findings
Year Ended September 30, 2024

Finding 2023-001

Condition	The size of the District's staff is not large enough to permit a complete segregation of duties for an effective system of internal control over financial reporting.
Status	This condition continues to exist at September 30, 2024. See Finding 2024-001.