SAWTOOTH VALLEY
RURAL FIRE DISTRICT
STANLEY, IDAHO
ANNUAL FINANCIAL REPORT
and
COMPLIANCE REPORTS
with
INDEPENDENT AUDITOR'S REPORT
For the Year Ended September 30, 2024

SAWTOOTH VALLEY RURAL FIRE DISTRICT - STATE OF IDAHO
ANNUAL FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

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Searle Hart & Associates, PLLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

The Honorable Board of Commissioners
Sawtooth Valley Rural Fire District
Stanley, Idaho

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Sawtooth Valley Rural Fire District, Stanley, Idaho, 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 Sawtooth Valley Rural Fire District, Stanley, Idaho, as of September 30, 2024, and the respective changes in financial position and cash flows, where applicable, for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 Sawtooth Valley Rural Fire District, Stanley, Idaho, 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.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and the fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Sawtooth Valley Rural 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 GAAS 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, 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 Sawtooth Rural 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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Sawtooth Rural 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 planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require supplementary information, such as management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's response 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 omitted 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. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

In accordance with *Government Auditing Standards*, we have also issued a report dated January 30, 2025, on our consideration of Sawtooth Valley Rural Fire District, Stanley, Idaho'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* and should be considered in assessing the results of our audit.

Searle Hart + Associates PLLC

Idaho Falls, Idaho
January 30, 2025

FINANCIAL SECTION

SAWTOOTH VALLEY RURAL FIRE DISTRICT - STATE OF IDAHO
STATEMENT OF NET POSITION
September 30, 2024

	GOVERNMENTAL ACTIVITIES	TOTAL
ASSETS		
Cash and cash equivalents	$ 211,035	$ 211,035
Investments	159,426	159,426
Taxes receivable	1,995	1,995
Other receivables	-	-
Due from other governmental agencies	-	-
Inventories	-	-
Other assets	302	302
Capital Assets		
Land and improvements not being depreciated	-	-
Construction in progress	-	-
Buildings	745,025	745,025
Equipment and furniture	201,778	201,778
Equipment under capital leases	-	-
Less: accumulated depreciation	(446,864)	(446,864)
Total Capital Assets	499,939	499,939
TOTAL ASSETS	872,697	872,697
DEFERRED OUTFLOWS	$ -	$ -

The notes to the financial statements are an integral part of this statement.

	GOVERNMENTAL ACTIVITIES	TOTAL
LIABILITIES		
Accounts payable and accrued expenses	$ 197	$ 197
Due to other governmental agencies	-	-
Long-term liabilities		
Due within one year		
Bonds, capital leases and contracts	28,000	28,000
Accrued interest	107	107
Compensated absences	-	-
Claims and judgments	-	-
Due in more than one year		
Bonds, capital leases and contracts	-	-
Compensated absences	-	-
Claims and judgments	-	-
TOTAL LIABILITIES	28,304	28,304
DEFERRED INFLOWS	-	-
NET POSITION		
Net investment in capital assets	471,832	471,832
Restricted for:		
Capital projects	-	-
Debt service	18,224	18,224
Other projects	-	-
Unrestricted	354,337	354,337
TOTAL NET POSITION	$ 844,393	$ 844,393

SAWTOOTH VALLEY RURAL FIRE DISTRICT - STATE OF IDAHO
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2024

FUNCTIONS/PROGRAMS	Expenses	PROGRAM REVENUE: Charges for Services	PROGRAM REVENUE: Operating Grants and Contributions	PROGRAM REVENUE: Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	$ -	$ -	$ -	$ -
Public safety	124,596	-	166,251	25,705
Public works	-	-	-	-
Health, welfare and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Education	-	-	-	-
Conservation/economic development	-	-	-	-
Interest on long-term debt	293	-	-	-
TOTAL GOVERNMENTAL ACTIVITIES	124,889	-	166,251	25,705
TOTAL PRIMARY GOVERNMENT	$ 124,889	$ -	$ 166,251	$ 25,705

General revenues:
Taxes:
Property taxes, levied for general purposes
Property taxes, levied for debt service
Franchise taxes
Public service taxes
Grants and contributions not restricted to specific programs
Unrestricted investment earnings
Miscellaneous
Special item - gain on sale of assets
Transfers

TOTAL GENERAL REVENUES, SPECIAL ITEMS, AND TRANSFERS

Change in net position

Net Position, October 1, 2023

NET POSITION, SEPTEMBER 30, 2024

The notes to the financial statements are an integral part of this statement.

NET POSITION	
PRIMARY GOVERNMENT	
Governmental Activities	Total
$ -	$ -
67,360	67,360
-	-
-	-
-	-
-	-
-	-
(293)	(293)
67,067	67,067
67,067	67,067
90,523	90,523
25,813	25,813
-	-
16,138	16,138
-	-
8,042	8,042
588	588
-	-
-	-
141,104	141,104
208,171	208,171
636,222	636,222
$ 844,393	$ 844,393

SAWTOOTH VALLEY RURAL FIRE DISTRICT - STATE OF IDAHO
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2024

	GENERAL FUND	BOND REPAYMENT FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS			
Cash and cash equivalents	$ 211,035	$ -	$ 211,035
Investments	141,380	18,046	159,426
Taxes receivable, net	1,536	459	1,995
Due from other funds	-	-	-
Receivable from other governments	-	-	-
Other receivables	-	-	-
Inventories	-	-	-
Prepaid expenses	302	-	302
TOTAL ASSETS	354,253	18,505	372,758
DEFERRED OUTFLOWS	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS	$ 354,253	$ 18,505	$ 372,758
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	$ 197	$ -	$ 197
Due to other funds	-	-	-
Payable to other governments	-	-	-
Other payables	-	-	-
TOTAL LIABILITIES	197	-	197
DEFERRED INFLOWS			
Revenue unavailable for use	941	281	1,222
FUND BALANCES			
Nonspendable	302	-	302
Restricted	-	18,224	18,224
Assigned	-	-	-
Unassigned	352,813	-	352,813
TOTAL FUND BALANCES	353,115	18,224	371,339
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	$ 354,253	$ 18,505	$ 372,758

The notes to the financial statements are an integral part of this statement.

SAWTOOTH VALLEY RURAL FIRE DISTRICT - STATE OF IDAHO
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
September 30, 2024

Total fund balance, governmental funds:	$	371,339
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the fund financial statements, but are reported in the governmental activities of the Statement of Net Position.		499,939
Some of the District's taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as revenue unavailable for use in the fund financial statement.		1,222
Some liabilities, (such as accrued interest payable, notes payable, capital lease contracts payable, long-term compensated absences, and bonds payable), are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position.		(28,107)
Net position of governmental activities in the Statement of Net Position:	$	844,393

SAWTOOTH VALLEY RURAL FIRE DISTRICT - STATE OF IDAHO
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
For the Year Ended September 30, 2024

	GENERAL FUND	BOND REPAYMENT FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES			
Property taxes	$ 89,782	$ 25,588	$ 115,370
Fees and fines	-	-	-
Licenses and permits	-	-	-
Intergovernmental	24,138	-	24,138
Charges for services	-	-	-
Investment earnings	7,070	972	8,042
Miscellaneous	588	-	588
TOTAL REVENUES	121,578	26,560	148,138
EXPENDITURES			
Current:			
General government	-	-	-
Public safety	90,794	-	90,794
Public works	-	-	-
Health, welfare and sanitation	-	-	-
Culture and recreation	-	-	-
Education	-	-	-
Conservation/economic development	-	-	-
Debt Service:			
Principal	-	27,000	27,000
Interest and other charges	-	396	396
Capital outlay	7,357	-	7,357
TOTAL EXPENDITURES	98,151	27,396	125,547
Excess (deficiency) of revenues over expenditures	23,427	(836)	22,591
OTHER FINANCING SOURCES (USES)			
Other sources	183,956	-	183,956
Transfers in	-	-	-
Transfers out	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	183,956	-	183,956
SPECIAL ITEM			
Proceeds from sale of assets	-	-	-
Net change in fund balances	207,383	(836)	206,547
Fund Balances, October 1, 2023	145,732	19,060	164,792
FUND BALANCES, SEPTEMBER 30, 2024	$ 353,115	$ 18,224	$ 371,339

The notes to the financial statements are an integral part of this statement.

SAWTOOTH VALLEY RURAL FIRE DISTRICT - STATE OF IDAHO
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2024

Net change in fund balances - total governmental funds:	$	206,547
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period.		
This is the amount by which depreciation of $33,802 exceeded capital outlay of $7,357 in the current period.		(26,445)
Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the Statement of Activities when earned. This is the net change in revenue unavailable for use.		966
Governmental funds report long-term debt proceeds as current financial resources. In contrast, the Statement of Activities treats such issuance of debt as a liability. Governmental funds report repayment of long-term debt principal as an expenditure, in contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities. This is the amount by which repayments exceeded proceeds.		27,000
Some expenses reported in the Statement of Activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:		
Net change in accrued interest not reflected in the governmental funds:		103
Change in net position of governmental activities:	$	208,171

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NOTES TO THE FINANCIAL STATEMENTS

SAWTOOTH VALLEY RURAL FIRE DISTRICT - STATE OF IDAHO
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For the Year Ended September 30, 2024

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SAWTOOTH VALLEY RURAL FIRE DISTRICT - STATE OF IDAHO
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Sawtooth Valley Rural Fire District is organized and operates under the provisions of the Idaho Constitution and the accounting policies and practices of the District conform to accounting principles generally accepted in the United States of America as applied to governments, except for the exceptions noted hereafter:

A. GENERAL

The financial statements listed in the table of contents have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The District's basic financial statements consist of government-wide financial statements, including a Statement of Net Position and a Statement of Activities, and fund financial statements which provide a more detailed level of financial position.

B. REPORTING ENTITY

The reporting entity does not include funds under the direct jurisdiction of other governing boards, elected or appointed, that exercise substantial or total administrative and supervisory authority in their own name are considered to be substantially autonomous from Sawtooth Valley Rural Fire District government and are not included in this report.

C. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The District's basic financial statements consist of both government-wide statements and fund statements. The government-wide statements focus on the District as a whole, while the fund statements focus on individual funds.

Government-wide Financial Statements

The government-wide statements present information on all non-fiduciary activities of the government. The District's activities are distinguished between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The effects of interfund activity have been eliminated from the government-wide statements except for the residual amounts due between governmental and business-type activities.

The *Statement of Net Position* presents the District's non-fiduciary assets, deferred outflows, liabilities and deferred inflows with the difference reported as net position. Net position is considered restricted when constraints placed upon it are either externally imposed or are imposed by constitutional provisions or enabling legislation.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function. The District does not allocate general government, (indirect), expenses to other functions. Program revenues 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 revenues not meeting the definition of program revenues are reported as general revenues.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

Fund Financial Statements
The financial transactions of the District are recorded in individual funds. A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is used to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. Separate statements are provided for *governmental, proprietary*, and *fiduciary funds*. For governmental and proprietary funds, the emphasis is on major funds, with each displayed in a separate column.

The District reports the following major governmental funds:

- **General Fund** - This fund is the principal operating fund of the District. It is used to account for all financial resources not required to be accounted for in another fund and is funded primarily by property taxes and intergovernmental revenues.

- **Bond Repayment Fund** - This fund is the principal debt repayment fund of the District. It is used to account for financial resources for repayment of the general obligation bond. It is funded primarily by property taxes. The general obligation bond payments are made through this fund.

Governmental Fund Types

Governmental funds account for the District's general activities including current expendable financial resources, (except for those accounted for in proprietary funds), and are those through which most governmental functions of the District are financed. The following are the District's governmental fund types:

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

Special Revenue Funds – These funds are used to account for the proceeds of specific revenue sources (other than major capital projects or expendable trusts) that are legally restricted to expenditures for specific purposes.

Debt Service Funds – Debt service funds are used to account for the accumulation of resources and for repayment of general long-term debt principal, interest, and related costs.

Capital Projects Funds – Capital projects funds are used to account for the financial resources used to acquire major capital assets, (other than those financed by proprietary funds).

Proprietary Fund Types – Enterprise Funds

Enterprise Funds – Enterprise Funds account for operations that meet one of two criteria: 1) the activity runs in a manner similar to private business enterprises; the intent of the governing body is that the ongoing operating costs (including depreciation) of providing goods or services to the public are financed or recovered primarily through user charges or, 2) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Fiduciary Fund Types

Fiduciary Funds – These funds account for assets held in a trustee capacity or as an agent for individuals, private organizations, or other governments. The reporting focus is on net position and associated changes.

Trust and Custodial Funds – Private Purpose Trust Funds are funds that are held in a trustee capacity. Custodial funds are primarily used to collect and remit funds for other governmental agencies.

D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when the related liability is incurred, regardless of the timing of the cash flows. Property taxes are recognized as revenues in the year for which they are levied. Other revenues are recognized in the year in which the related sales or other activity has occurred. Grants and similar items are recognized as revenue when all eligibility requirements have been met.

The proprietary and fiduciary fund statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues generally result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating items, such as interest expense and investment earnings, result from nonexchange transactions or ancillary activities.

The governmental fund financial statements are prepared and reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Expenditures are generally recorded when the related liability is incurred.

E. ASSETS, DEFERRED OUTFLOWS, LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES/ NET POSITION

Following are the District's significant policies regarding recognition and reporting of certain assets, liabilities, and equity.

Cash and Investments

Cash and cash equivalents consist primarily of demand deposits with financial institutions and short-term investments with original maturities of three months or less from the purchase date. Investments include pooled investments.

Receivables

Receivables include accrued amounts for state sales taxes and other intergovernmental revenues. Receivables from other governments are reasonably assured; accordingly, no allowance for uncollectible accounts has been established.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. ASSETS, DEFERRED OUTFLOWS, LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES/ NET POSITION (Continued)

Taxes Receivable

Property taxes are levied in September of each year and become payable on December 20 and June 20 of the following year for real property taxes and December 20 for personal property taxes.

Property taxes attach as an enforceable lien as of December 20 following levy in September. Therefore, no amount has been set aside for an allowance for uncollectible accounts. Property taxes not collected within 60 days after year end are classified as revenue unavailable for use.

Capital Assets

The District defines a capital asset as an asset with an estimated useful life of more than one year and an initial cost of $5,000 or more for equipment or $50,000 or more for land and buildings. Such assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at estimated acquisition value on the date of acquisition.

Capital assets purchased in governmental funds are recorded as expenditures in the governmental fund statements. Interest expense for capital asset construction related to governmental activities is not capitalized while interest expense incurred during construction of capital assets related to business-type activities is capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

Buildings, equipment, infrastructure, and other depreciable assets are depreciated using the straight-line method over estimated useful lives from 5 to 70 years.

Capital assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

Deferred Outflows

In addition to assets, the Statement of Net Position and the fund-based statements will display a separate section for deferred outflows of resources. This financial statement element represents a consumption of net position or fund balance that applies to a future period, or periods, so it will not be recognized as an outflow of resources until that time. The District does not have any deferred outflows at this time.

Long-term Obligations

In the government-wide statements and proprietary fund statements, long-term debt and other long-term obligations are reported as liabilities. In the governmental fund financial statements, bond premiums, discounts, and issuance costs are recognized as expenditures in the current period. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. The face amount of debt issued is reported as other financing sources.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. ASSETS, DEFERRED OUTFLOWS, LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES/ NET POSITION (Continued)

Deferred Inflows

In addition to liabilities, the Statement of Net Position and the fund-based statements will display a separate section for deferred inflows of resources. This financial statement element represents an acquisition of net position or fund balance that applies to a future period, or periods, so it will not be recognized as an inflow of resources until that time. This amount is deferred and recognized as an inflow of resources in the period that amounts become available. The District currently reports revenue unavailable for use as a deferred inflow on the fund based statements.

Net Position/Fund Balances

The difference between assets plus deferred outflows and liabilities plus deferred inflows is net position on the government-wide statement and fund balance on the governmental fund statements.

Nonspendable and Spendable Fund Balances

Fund balance is separated into nonspendable and spendable amounts. The following is a list of nonspendable and spendable fund balance designations for the Sawtooth Valley Rural Fire District.

Nonspendable: This designation segregates fund balances that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact.

Restricted: This designation segregates a portion of the fund balance when constraints have been placed on the use of the resources either externally by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Committed: This designation indicates a portion of the fund balance which can only be used for specific purposes pursuant to constraints imposed by formal action of the Board. It cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action employed to previously commit the fund balance.

Assigned: This designation indicates a fund balance that can only be spent for purposes officially delegated by authority (the budget process) or is constrained by governmental intent, but is not restricted or committed.

Unassigned: This designation indicates a fund balance is not assigned to any specific purpose or is a negative fund balance. The District can use the positive unassigned fund balance for expenditures in the subsequent fiscal year.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District will generally use restricted fund balance first, followed by committed, assigned then unassigned.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. BUDGETS AND BUDGETARY ACCOUNTING

The Idaho Constitution and the Idaho Department of Revenue and Taxation prescribe the budget process and procedures for governmental subdivisions. The Sawtooth Valley Rural Fire District has satisfied the basic requirements prescribed in the following particulars:

1) Formulation of subsequent year budget requirements by internal District officers and personnel.

2) Perusal of formulated budgets by the Commissioners and management.

3) Presentation of preliminary and final budget requirements in formal news media of the District.

4) Open hearings to permit taxpayer input before such budgets are formally adopted.

Subsequent control budgets following adoption are accomplished through a budget-expenditures control system with interim status accounting and reporting made available to officers and employees for management purposes. Budgets are adopted on a cash basis which is a basis of accounting other than accounting principles generally accepted in the United States, (U.S. GAAP). The District does not maintain a formal encumbrance accounting system.

G. COMPENSATED ABSENCES AND POST-EMPLOYMENT BENEFITS

There were no compensated absences payable at September 30, 2024.

H. REVENUES AND EXPENDITURES/EXPENSES

Under the modified accrual basis of accounting, revenues are recognized in governmental funds when measurable and available. Revenues are considered to be available when they are collected within the current period or expected to be collected soon enough thereafter to pay liabilities of the current period. Sawtooth Valley Rural Fire District considers property and sales tax revenues to be available if they are collected within 60 days after year-end. Grants and similar items are recognized as revenue when all eligibility requirements have been met. Expenditure reimbursement that is received within 30 days after year-end will be booked as revenue. All other revenues are booked as revenue in the year they are received. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

In proprietary funds and government-wide statements, revenues are recognized when earned.

I. EXPENDITURE/EXPENSE RECOGNITION

In governmental funds, expenditures are generally recorded when the related liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Capital asset acquisition and construction are reported as expenditures in the period they are acquired.

In proprietary funds and government-wide statements, expenses are recorded when the related liability is incurred.

Operating expenses for enterprise funds, if applicable, include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. INTERFUND ACTIVITY AND BALANCES

Government-wide Statements

In general, eliminations have been made to minimize the double-counting of internal activity. There were no interfund receivables or payables at September 30, 2024.

Governmental Fund Statements

Interfund transactions for goods and services provided and used are reported as revenues and expenditures/expenses in the funds involved. Cash transfers between funds of the District are reported as other financing sources and uses in the governmental fund statements.

K. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. CASH AND INVESTMENTS

Cash and cash equivalents are defined as those financial instruments which have a maturity date of three months or less from the date of acquisition.

Cash deposits and investments of the District as of September 30, 2024, totaled $370,461, of which $211,035 represented demand deposits and $159,426 represented investments in the Local Government Investment Pool. Of the total deposits, $370,461 was allocated to governmental funds.

Deposits

At September 30, 2024, the carrying amount of the District's deposits in financial institutions was $211,035. The bank balance at year end for the current year was $212,814. The entire amount of the demand deposits were covered by FDIC.

Investments

The fair value of the District's investments at year end was $159,426. Of this amount, $18,046 was restricted for debt repayment. The information on the amount not covered by SIPC or FDIC insurance is not available.

The investments in the Local Government Investment Pool, (LGIP), are through the Idaho State Treasurer who provides the oversight of those monies. Monies held by the LGIP were held in the following investments: government agency notes, commercial paper, corporate bonds, money markets, U.S. treasury notes, Idaho repurchase agreements, and purchased accrued interest. All investments for the LGIP are collateralized with securities held by the LGIP's safekeeping agent in the LGIP's name. The investments held by the LGIP are carried at cost, which is not materially different than fair value, (determined by the Idaho State Treasurer's office). The investments in the LGIP are subject to risk from market and interest rate fluctuations. The weighted average maturity at September 30, 2024 was 84 days.

The District does not have a written policy addressing credit, custodial credit or interest risk.

3. CAPITAL ASSETS

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

	Balance 10-01-2023	Additions	Deletions	Balance 09-30-2024
Governmental Activities				
Capital assets, not being depreciated				
Construction in progress	$ -	$ -	$ -	$ -
Land	-	-	-	-
Total capital assets, not being depreciated	-	-	-	-
Capital assets, being depreciated				
Buildings and improvements	745,025	-	-	745,025
Machinery and equipment	194,421	7,357	-	201,778
Buildings and improvements – leased	-	-	-	-
Machinery and equipment – leased	-	-	-	-
Total capital assets, being depreciated	939,446	7,357	-	946,803
Less accumulated depreciation for				
Buildings and improvements	(306,058)	(18,626)	-	(323,684)
Machinery and equipment	(108,004)	(15,176)	-	(123,180)
Total accumulated depreciation	(413,062)	(33,802)	-	(446,864)
Total capital assets, being depreciated, net	526,384	(26,445)	-	499,939
Governmental activity, capital assets, net	$ 526,384	$ (26,445)	$ -	$ 499,939

Depreciation expense was charged to current function of the primary government as follows:

Governmental activities	
Public safety	$ 33,802
Total governmental activities	$ 33,802

4. LONG-TERM DEBT

General long-term obligations of the District include general obligation fire protection bonds. During the year ended September 30, 2024, the following changes occurred in long-term debt:

	Balance 10-01-2023	Additions	Reductions	Balance 09-30-2024	Amounts due within one year
Bond payable	$ 55,000	$ -	$ (27,000)	$ 28,000	$ 28,000
Accrued interest	210	-	(103)	107	107
Total long-term debt	$ 55,210	$ -	$ (27,103)	$ 28,107	$ 28,107

Debt Service Requirements

There are no long-term debt service requirements on long-term debt as of September 30, 2024.

Total interest incurred and expenses in the government-wide statements was $293 and $396 in the fund based statements.

The General Obligation Bonds, Series 2005 have an adjustable rate that adjusts every 5 years. The current interest rate is 0.72% at fiscal year-end. No future interest rate adjustments are scheduled before the bonds mature in 2025.

5. LITIGATION AND CONTINGENT LIABILITIES

No claims or lawsuits are pending against the District.

6. RELATED PARTY TRANSACTIONS

The District has not been directly involved in related party transactions that would violate the Idaho Code or Federal Regulations.

7. MATERIAL VIOLATION OF FINANCE-RELATED LEGAL AND CONTRACTUAL PROVISIONS

There are no known violations of direct finance-related legal and contractual provisions.

8. RISK MANAGEMENT

The District is exposed to various risks related to torts: theft of, damage to, and destruction of assets, errors and omissions, and natural disasters. The District's risk management program encompasses various means of protecting the District against loss by obtaining property, casualty, and liability coverage through commercial insurance carriers.

9. DEFICITS AND INTERFUND TRANSACTIONS

There were no deficit fund balances or interfund account balances as of September 30, 2024.

10. SUBSEQUENT EVENTS

The District has evaluated subsequent events through January 30, 2025, the date the financial statements were available to be issued. There are no known subsequent events that will have a material impact on the operation of the District.

REQUIRED SUPPLEMENTARY INFORMATION

SAWTOOTH VALLEY RURAL FIRE DISTRICT - STATE OF IDAHO
BUDGET AND ACTUAL (WITH BUDGET TO GAAP DIFFERENCES)
GENERAL FUND
For the Year Ended September 30, 2024

	BUDGETED AMOUNTS		BUDGETARY
	ORIGINAL	FINAL	BASIS
REVENUES			
Property Taxes	$ 90,471	$ 90,471	$ 89,297
Fees and Fines	-	-	-
Licenses and permits	-	-	-
Intergovernmental	15,500	15,500	24,138
Charges for services	-	-	-
Investment earnings	2,250	2,250	7,070
Miscellaneous	10,000	10,000	588
TOTAL REVENUES	118,221	118,221	121,093
EXPENDITURES			
Current:			
General government	-	-	-
Public safety	126,225	126,225	95,584
Public works	-	-	-
Health and sanitation	-	-	-
Conservation/economic development	-	-	-
Education	-	-	-
Debt service:			
Principal	-	-	-
Interest and other charges	-	-	-
Capital outlay	-	-	-
TOTAL EXPENDITURES	126,225	126,225	95,584
Excess (deficiency) of revenues over expenditures	(8,004)	(8,004)	25,509
OTHER FINANCING SOURCES (USES)			
Proceeds from long-term debt	-	-	-
Other sources	8,000	8,000	182,118
Transfers in	-	-	-
Transfers out	-	-	-
TOTAL OTHER FINANCING SOURCES AND USES	8,000	8,000	182,118
SPECIAL ITEM			
Proceeds from sale of capital assets	-	-	-
Net change in fund balances	(4)	(4)	207,627
Fund Balances, October 1, 2023	145,732	145,732	145,732
FUND BALANCES, SEPTEMBER 30, 2024	$ 145,728	$ 145,728	$ 353,359

	GAAP DIFFERENCES		GAAP BASIS
$	485	$	89,782
	-		-
	-		-
	-		24,138
	-		-
	-		7,070
	-		588
	485		121,578
	-		-
	(4,790)		90,794
	-		-
	-		-
	-		-
	-		-
	-		-
	-		-
	7,357		7,357
	2,567		98,151
	(2,082)		23,427
	-		-
	1,838		183,956
	-		-
	-		-
	1,838		183,956
	-		-
	(244)		207,383
	-		145,732
$	(244)	$	353,115

SAWTOOTH VALLEY RURAL FIRE DISTRICT - STATE OF IDAHO
BUDGET AND ACTUAL (WITH BUDGET TO GAAP DIFFERENCES)
BOND REPAYMENT FUND
For the Year Ended September 30, 2024

	BUDGETED AMOUNTS		BUDGETARY
	ORIGINAL	FINAL	BASIS
REVENUES			
Property Taxes	$ 27,400	$ 27,400	$ 25,448
Fees and Fines	-	-	-
Licenses and permits	-	-	-
Intergovernmental	-	-	-
Charges for services	-	-	-
Investment earnings	-	-	972
Miscellaneous	-	-	-
TOTAL REVENUES	27,400	27,400	26,420
EXPENDITURES			
Current:			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health and sanitation	-	-	-
Conservation/economic development	-	-	-
Education	-	-	-
Debt service:			
Principal	27,000	27,000	27,000
Interest and other charges	396	396	396
Capital outlay	-	-	-
TOTAL EXPENDITURES	27,396	27,396	27,396
Excess (deficiency) of revenues over expenditures	4	4	(976)
OTHER FINANCING SOURCES (USES)			
Proceeds from long-term debt	-	-	-
Other sources	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
TOTAL OTHER FINANCING SOURCES AND USES	-	-	-
SPECIAL ITEM			
Proceeds from sale of capital assets	-	-	-
Net change in fund balances	4	4	(976)
Fund Balances, October 1, 2023	19,060	19,060	19,060
FUND BALANCES, SEPTEMBER 30, 2024	$ 19,064	$ 19,064	$ 18,084

	GAAP DIFFERENCES		GAAP BASIS
	$ 140		$ 25,588
	-		-
	-		-
	-		-
	-		-
	-		972
	-		-
	140		26,560
	-		-
	-		-
	-		-
	-		-
	-		-
	-		-
	-		27,000
	-		396
	-		-
	-		27,396
	140		(836)
	-		-
	-		-
	-		-
	-		-
	-		-
	-		-
	140		(836)
	-		19,060
	$ 140		$ 18,224

SAWTOOTH VALLEY RURAL FIRE DISTRICT - STATE OF IDAHO
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended September 30, 2024

1. The legally adopted budget for Sawtooth Valley Rural Fire District – State of Idaho is based on the modified cash basis of accounting. Adjustments to the modified accrual basis of accounting are listed as GAAP differences.

2. Higher operating expenses may be reflected on the GAAP basis if equipment was purchased at year-end with a partial payment budgeted in the current year and an account payable booked to reflect the final payment in the subsequent year's budget.

3. The budget was not amended for the 2024 fiscal year.

4. The budget adopted for the district was not overspent during the 2024 fiscal year.

OTHER SUPPLEMENTARY INFORMATION

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF BASIC FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

INDEPENDENT AUDITOR'S REPORT

The Honorable Board of Commissioners
Sawtooth Valley Rural Fire District
Stanley, Idaho

We have audited the accompanying financial statements of the governmental activities and each major fund of the Sawtooth Valley Rural Fire District, Stanley, Idaho, as of and for the year ended September 30, 2024, which collectively comprise the District's basic financial statements as listed in the table of contents 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, and have issued our report thereon dated January 30, 2025.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Sawtooth Valley Rural Fire District, Stanley, Idaho'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Sawtooth Valley Rural Fire District's internal control. Accordingly, we do not express an opinion on the effectiveness of Sawtooth Valley Rural Fire District's internal control.

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

Our consideration of internal control 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 over financial reporting 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, as defined above, that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Sawtooth Valley Rural Fire 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 did not disclose any instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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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 result 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.

Searle Hart + Associates PLLC

Idaho Falls, Idaho
January 30, 2025