

RAPID VALLEY FIRE DISTRICT
RAPID CITY, SOUTH DAKOTA

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2019

FED EIN 46-0344019

RAPID VALLEY FIRE DISTRICT

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Rapid Valley Fire District
Rapid City, South Dakota

We have audited the accompanying modified cash basis financial statements of the governmental activities and each major fund of **Rapid Valley Fire District** (the District) as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities and each major fund of the District, as of December 31, 2019, and the respective changes in financial position thereof for the year then ended in accordance with the modified cash basis of accounting as described in Note 1.

Basis of Accounting

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

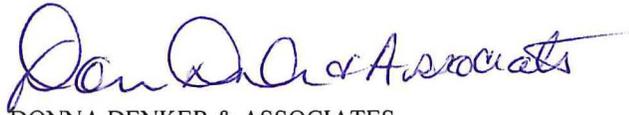
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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2020, 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 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.



DONNA DENKER & ASSOCIATES
Certified Public Accountants

December 15, 2020

RAPID VALLEY FIRE DISTRICT

**STATEMENT OF NET POSITION - MODIFIED CASH BASIS
DECEMBER 31, 2019**

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Cash	\$ 737,105
Investments	265,776
TOTAL ASSETS	\$ 1,002,881
 <u>NET POSITION</u>	
Restricted for:	
Debt Service Purposes	\$ 74,358
Unrestricted	928,523
TOTAL NET POSITION	1,002,881
 TOTAL NET POSITION	 \$ 1,002,881

The accompanying notes are an integral part of this statement.

RAPID VALLEY FIRE DISTRICT

**STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Functions/Programs	Expenses	Net (Expense) Revenue and Changes in Net Position
		Total Governmental Activities
Governmental Activities:		
Public Safety	\$ 294,570	\$ (294,570)
Total Governmental Activities	294,570	(294,570)
Total Primary Government	\$ 294,570	(294,570)
	General Revenues:	
	Taxes	380,025
	Investment Earnings	4,907
	Total General Revenues	384,932
	Change in Net Position	90,362
	Net Position -- Beginning	912,519
	Net Position -- Ending	\$ 1,002,881

The accompanying notes are an integral part of this statement.

RAPID VALLEY FIRE DISTRICT

**BALANCE SHEET - MODIFIED CASH BASIS - GOVERNMENTAL FUND
DECEMBER 31, 2019**

<u>ASSETS</u>	<u>General Fund</u>
Cash	\$ 737,105
Investments	265,776
TOTAL ASSETS	\$ 1,002,881
<u>FUND BALANCES</u>	
Fund Balances	
Restricted for:	
Debt Service Purposes	\$ 74,358
Unassigned	928,523
TOTAL FUND BALANCES	\$ 1,002,881

The accompanying notes are an integral part of this statement.

RAPID VALLEY FIRE DISTRICT

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES -
MODIFIED CASH BASIS GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>General Fund</u>
Receipts	
Property Tax Revenue	\$ 379,450
Penalties and Interest on Delinquent Taxes	575
Investment Earnings	4,907
Total Receipts	384,932
Disbursements	
<i>Public Safety</i>	
Fire and EMS Equipment and Repair	29,054
Utilities	23,414
Vehicle Costs	17,734
Building Maintenance	10,488
Supplies	5,505
Miscellaneous	3,244
Training	3,009
Professional Fees	1,913
Insurance	1,568
<i>Capital Outlay</i>	33,411
<i>Debt Service</i>	
Principal Repayment	62,607
Interest	102,623
Total Disbursements	294,570
Change in Fund Balance	90,362
Fund Balance - December 31, 2018	912,519
Fund Balance - December 31, 2019	\$ 1,002,881

The accompanying notes are an integral part of this statement.

RAPID VALLEY FIRE DISTRICT

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019

(1) Summary of Significant Accounting Policies

As discussed further in Note 1.C., these financial statements are presented on the modified cash basis of accounting. The modified cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP) as described within this note. Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements.

a. Reporting Entity

Rapid Valley Fire District (the District) is a South Dakota rural fire protection district formed in accordance with SDCL Chapter 34-31A and was qualified by the South Dakota Secretary of State as a fire protection district in April, 1974. The District is located in Pennington County, South Dakota.

The reporting entity of the Rapid Valley Fire District (the District) consists of the primary government which includes all funds, organizations, institutions, agencies, departments, and offices that make up the legal entity; those organizations for which the primary governance is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the financial reporting entity's financial statements to be misleading or incomplete. There are no component units which are required to be included in the District's reporting entity.

b. Basis of Presentation

The financial statements of the District include the government-wide and the fund financial statements. The focus is on the District as a whole in the government-wide financial statements, while reporting additional and detailed information about the District's major governmental activities in the fund financial statements.

Government-Wide Financial Statements:

The statement of net position – modified cash basis and statement of activities - modified cash basis display information about the reporting entity as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through inter-governmental revenues, grants and contracts transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The District has no business-type activities. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The District has no fiduciary funds.

The statement of activities - modified cash basis presents a comparison between direct expenses and program receipts for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program receipts include (a) charges paid by recipients of goods and services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Receipts that are not classified as program receipts, including all taxes, are presented as general receipts.

RAPID VALLEY FIRE DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2019

(1) Summary of Significant Accounting Policies (Continued)

b. Basis of Presentation (Continued)

Fund Financial Statements:

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, deferred inflows, fund balance, revenues, and expenditures. Funds are organized into two major categories: governmental and fiduciary. An emphasis is placed on major funds within the category. A fund is considered major if it is the primary operating fund of the District or it meets the following criteria:

1. Total assets, receipts, or expenditures/expenses of the individual governmental or enterprise fund are at least ten percent of the corresponding total for all funds of that category or type, and
2. Total assets, fund balance, receipts, or expenditures/expenses of the individual governmental or enterprise fund are at least five percent of the corresponding total for all governmental and enterprise funds combined, or
3. Management has elected to classify one or more governmental or enterprise funds as major for consistency in reporting from year to year, or because of public interest in the fund's operations.

The funds of the financial reporting entity are described below:

Governmental Funds:

General Fund – The general fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund. The general fund is always a major fund.

c. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe “how” transactions are recorded within the various financial statements. Basis of accounting refers to “when” receipts and expenditures are recognized in the accounts and reported in the financial statements, regardless of the measurement focus.

The District's basis of accounting is the modified cash basis, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Under the modified cash basis, transactions are recorded when cash is received or disbursed.

Measurement Focus:

Government-Wide Financial Statements:

In the statement of net position - modified cash basis and statement of activities - modified cash basis, the governmental activities are presented using the economic resources measurement focus applied on the modified cash basis of accounting as defined in the “Basis of Accounting” section.

Fund Financial Statements:

In the fund financial statements, the “current financial resources measurement” focus or the economic resources measurement of focus is used, applied within the limitations of the modified cash basis of accounting.

RAPID VALLEY FIRE DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2019

(1) Summary of Significant Accounting Policies (Continued)

c. Measurement Focus and Basis of Accounting (Continued)

Basis of Accounting:

In the statement of net position - modified cash basis and statement of activities - modified cash basis, and the fund financial statements, the governmental activities are presented using the modified cash basis of accounting.

The modified cash basis of accounting involves the measurement of cash and cash equivalents and changes in cash and cash equivalents resulting from cash receipt and disbursement transactions. Under the modified cash basis of accounting, the balance sheet reports only cash and cash equivalents (those investments with terms to maturity of 90 days or less at the date of the acquisition). Under the modified cash basis of accounting, transactions are recorded in the accounts when cash and/or cash equivalents are received or disbursed and assets and liabilities are recognized to the extent that cash has been received or disbursed.

Acceptable modifications to the modified cash basis of accounting implemented by the District in these financial statements include the recording of investments (certificates of deposits with terms to maturity more than 90 days from the date of acquisition) arising from cash transactions.

As a result of the use of this modified cash basis of accounting, certain assets and their related receipts (such as accounts receivable and revenue billed or provided services not yet collected) and certain liabilities and their related disbursements (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

If the District applied accounting principles generally accepted in the United States of America, the fund financial statements for the governmental funds would use the modified accrual basis of accounting. All government-wide financial statements would be presented on the accrual basis of accounting.

d. Deposits and Investments

For the purpose of financial reporting, "cash and cash equivalents" includes all demand and savings accounts and certificates of deposit or short term investments with a term to maturity at date of acquisition of three months or less.

Investments classified in the financial statements consist entirely of certificates of deposit whose term to maturity at date of acquisition exceeds three months.

The District maintains restricted cash deposits for the debt reserves required by the USDA debt agreement.

e. Capital Assets

Under the modified cash basis of accounting, the District's capital assets are considered a cost of the program for which they were acquired, for the amount paid in cash, in the government-wide financial statements and the fund financial statements.

f. Long-Term Liabilities

Under the modified cash basis of accounting, cash proceeds from long-term debt issuances are recorded as a receipt, while payments to creditors to reduce long-term debts are recorded as a cost of the program which benefits from the financing. Interest costs are reported as a separate program cost category.

Long-term debt arising from cash transactions of all funds are not reported as liabilities in the modified cash basis financial statements.

RAPID VALLEY FIRE DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2019

(1) Summary of Significant Accounting Policies (Continued)

g. Program Receipts

Program receipts derive directly from the program itself or from parties other than the district's taxpayers or citizenry, as a whole. Program receipts are classified into three categories, as follows:

1. Charges for services – These arise from charges to customers, applicants, or others who purchase, use, or directly benefit from the goods, services, or privileges provided, or are otherwise directly affected by the services. The District does not currently have any charges for services.
2. Program-specific operating grants and contributions – These arise from mandatory and voluntary non-exchange transactions with other governments, organizations, or individuals that are restricted for use in a particular program. The District does not currently have any program-specific operating grants and contributions.
3. Program-specific capital grants and contributions – These arise from mandatory and voluntary non-exchange transactions with the other governments, organizations, or individuals that are restricted for the acquisition of capital assets for use in a particular program. The District does not currently have any program-specific capital grants and contributions.

h. Equity Classifications

Government-Wide Statements:

Equity is classified as net position and is displayed in two components:

1. Restricted Net Position – Consists of net position with constraints placed on their use either by (a) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (b) law through constitutional provisions or enabling legislation.
2. Unrestricted Net Position – All other net position that do not meet the definition of "Restricted Net Position".

Fund Financial Statements:

The District classifies governmental fund balances as follows:

- Nonspendable – includes fund balance amounts that cannot be spent either because it is not in spendable form, such as inventories or prepaids, or because of legal or contractual constraints. The District has no nonspendable fund balances.
- Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors, grantors, or contributors or amounts constrained due to constitutional provision or enabling legislation.
- Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the Board of Directors by resolution and does not lapse at year-end. No commitments have been made by the Board of Directors.
- Assigned – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balance may be assigned by the Board of Directors. The District has no assigned fund balances.
- Unassigned – includes positive fund balance within the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

RAPID VALLEY FIRE DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2019

(1) Summary of Significant Accounting Policies (Concluded)

h. Equity Classifications (Continued)

The District uses *restricted/committed* amounts first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Additionally, the District would first use *committed, then assigned, and lastly unassigned amounts* of unrestricted fund balance when disbursements are made.

The District does not have a formal minimum fund balance policy.

i. Application of Net Position

It is the District's policy to first use restricted net position, prior to the use of unrestricted net position, when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

j. Federal Income Tax

Under South Dakota Codified Law, the District is considered a fire district form of local government, and therefore is not obligated to pay federal income tax.

k. Subsequent Events

Management has evaluated subsequent events through the date of the independent auditor's report which is the date the financial statements were available to be issued.

(2) Deposits and Investments Credit Risk, Concentrations of Credit Risk and Interest Rate Risk

Various restrictions on deposits and investments are imposed by statutes. These restrictions are summarized below:

Deposits – The District's cash deposits are made in qualified public depositories as defined by SDCL 4-6A-1. Qualified depositories are required by SDCL 4-6A-3 to maintain at all times, segregated from their other assets, eligible collateral having a value equal to at least 100 percent of the public deposit accounts which exceed deposit insurance such as the FDIC and NCUA. In lieu of pledging eligible securities, a qualified public depository may furnish irrevocable standby letters of credit issued by federal home loan banks accompanied by written evidence of that bank's public debt rating which may not be less than "AA" or a qualified public depository may furnish a corporate surety bond of a corporation authorized to do business in South Dakota.

Investments – In general, SDCL 4-5-6 permits District funds to be invested only in (a) securities of the United States and securities guaranteed by the United States Government either directly or indirectly; or (b) repurchase agreements fully collateralized by securities described in (a) above; or in shares of an open-end, no-load fund administered by an investment company whose investments are in securities described in (a) above and repurchase agreements described in (b) above. Also, SDCL 4-5-9 requires investments to be in the physical custody of the political subdivision or may be deposited in a safekeeping account with any bank or trust company designated by the political subdivision as its fiscal agent. Investments classified in the financial statements consist entirely of certificates of deposits whose term to maturity at date of acquisition exceeds three months.

RAPID VALLEY FIRE DISTRICT

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2019**

(2) Deposits and Investments Credit Risk, Concentrations of Credit Risk and Interest Rate Risk (Continued)

Credit Risk: State law limits eligible investments for the District, as discussed above. The District has no investment policy that would further limit its investment choices. The District has all of its deposits in demand deposits and certificates of deposits.

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.

Custodial Credit Risk – Deposits: Custodial credit risk is the risk that in the event of a bank failure, the District’s deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. As of December 31, 2019, the District’s bank balances above FDIC limits are insured and collateralized by the South Dakota Public Deposit Protection Collateral Program.

Concentration of Credit Risk: The District places no limit on the amount that may be invested in any one issuer.

Depository Account	Carrying Value	Bank Value	Uninsured and Undercollateralized Deposits
Cash			
First Interstate Bank	\$ 737,105	\$ 737,250	\$ -
Certificates of Deposit			
First Interstate Bank	265,776	265,776	-
Total Deposits	\$ 1,002,881	\$ 1,003,026	\$ -

(3) Property Taxes

Property taxes are levied on or before October 1, of the year preceding the start of the fiscal year. They attach as an enforceable lien on property, and become due and payable as of the following January 1, the first day of the fiscal year. Taxes are payable in two installments on or before April 30 and October 31 of the fiscal year.

(4) Long-term Debt

As discussed in Note 1.c., the government-wide statement of net position and statement of activities and the fund financial statements, governmental activities are presented using a modified cash basis of accounting. The District has not elected to modify their cash basis of presentation by recording long-term debt arising from cash transactions so any outstanding indebtedness is not reported on the financial statements of the District. The District does report the principal and interest payments on long-term debt as debt service expenditures on the statement of receipts, disbursements and changes in fund balances. On the statement of activities the principal and interest portion of these debt service payments are reported within the appropriate expense function. The District has included the following summary of changes in long-term liabilities for the year ended December 31, 2019, due to the importance of the information provided:

	Balance January 1, 2019	Repayments	Balance December 31, 2019	Due Within One Year
Governmental Activities:				
USDA Loan	\$ 3,299,592	\$ (62,607)	\$ 3,236,985	\$ 63,912
Total Governmental Activities	\$ 3,299,592	\$ (62,607)	\$ 3,236,985	\$ 63,912

RAPID VALLEY FIRE DISTRICT

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2019**

(4) Commitments (Continued)

Loan payable at December 31, 2019, is comprised of the following:

On June 1, 2015, the District obtained financing with USDA Rural Development for the fire station construction. The total amount financed through USDA Rural Development was \$3,756,900 with an interest rate of 3.125%. Semiannual payments of \$82,615 beginning December, 2015 were originally required through June, 2055. The financing is secured by the fire station and financed by the general fund. The District has prepaid additional debt principal resulting in a revised maturity schedule as the outstanding principal will be paid off prior to 2055. The prepaid principal has been applied to the ending years of the maturity schedule. Interest paid for the year ended December 31, 2019, was \$102,623.

	\$ 3,236,985
Total Long-Term Debt	\$ 3,236,985

The annual requirements to amortize the long-term liability outstanding as of December 31, 2019, (using the revised repayment schedule for the note), including interest are as follows:

	Principal	Interest	Total
2020	\$ 63,912	\$ 101,318	\$ 165,230
2021	65,938	99,292	165,230
2022	68,028	97,202	165,230
2023	70,185	95,045	165,230
2024	72,410	92,820	165,230
2025-2029	397,973	428,177	826,150
2030-2034	465,183	360,967	826,150
2035-2039	543,744	282,406	826,150
2040-2044	635,572	190,578	826,150
2045-2049	742,908	83,242	826,150
2050-2054	111,132	2,223	113,355
Total	\$ 3,236,985	\$ 1,833,270	\$ 5,070,255

The USDA Rural Development loan requires a debt reserve of \$8,262 semiannually beginning in 2015 until a total is accumulated in that account in the sum of \$165,230. The District maintains restricted cash deposits for the debt reserves required by the USDA debt agreement.

(5) Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the period ended December 31, 2019, the District managed its risks by purchasing liability and property insurance from a commercial carrier for risks, theft or damage to property, and errors and omissions of public officials.

RAPID VALLEY FIRE DISTRICT

**NOTES TO FINANCIAL STATEMENTS (CONCLUDED)
DECEMBER 31, 2019**

(6) Restricted Net Position

The amount classified as restricted net position at December 31, 2019, is classified as follows:

Purpose	Restricted by	Amount
Debt Service	Debt Covenants	\$ 74,358

OTHER REPORTS

**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 Directors
Rapid Valley Fire District
Rapid City, South Dakota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the modified cash basis financial statements of the governmental activities and each major fund of **Rapid Valley Fire District** (the District), as of and for the year ended December 31, 2019, 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 15, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Rapid Valley Fire District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests did not disclose matters of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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Rapid Valley Fire District
Board of Directors
Page Two

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. As required by South Dakota Codified Law 4-11-11, this report is a matter of public record and distribution is not limited.



DONNA DENKER & ASSOCIATES
Certified Public Accountants

December 15, 2020

Rapid Valley Fire District

SUMMARY SCHEDULE OF PRIOR AND CURRENT AUDIT FINDINGS FOR THE YEAR ENDED DECEMBER 31, 2019

Prior Audit Findings:

There were no prior year findings.

Current Audit Finding:

There were no current year findings.