EAST SIDE FIRE DISTRICT

FINANCIAL AUDIT REPORTS AND STATEMENTS

FOR THE YEAR ENDED
DECEMBER 31, 2024

Prepared by

ALPINE SUMMIT CPAs

TAX, ASSURANCE, ACCOUNTING, ADVISORY

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INDEPENDENT AUDITORS' REPORT

ALPINE SUMMIT CPAs

TAX, ASSURANCE, ACCOUNTING, ADVISORY

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INDEPENDENT AUDITORS' REPORT

Board of Commissioners
East Side Fire District
Harrison, Idaho

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of East Side Fire District, as of and for the year ended December 31, 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 respective financial position of the governmental activities, and each major fund of East Side Fire District, as of December 31, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 East Side Fire District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about East Side 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 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 East Side Fire District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about East Side 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information and schedule of the Districts' share of net pension liability and the schedule of contributions as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 6, 2025 on our consideration of the East Side Fire District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of East Side Fire District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering East Side Fire District's internal control over financial reporting and compliance.

Alpine Summit CPAs

Alpine Summit CPAs

Post Falls, Idaho
November 6, 2025

BASIC FINANCIAL STATEMENTS

EAST SIDE FIRE DISTRICT
Statement of Net Position
December 31, 2024

ASSETS	
Cash and cash equivalents	$ 670,040
Property tax receivable	702,671
Prepaid expenses	4,001
Right-to-use assets, net of accumulated amortization	6,769
Capital assets not being depreciated	1,310,107
Capital assets, net of accumulated depreciation	1,251,462
Total assets	3,945,050
Deferred outflows of resources - PERSI	146,592
LIABILITIES	
Accounts payable and accrued expenses	53,743
Accrued payroll and related costs	10,688
Unearned rental income	23,000
Noncurrent liabilities:	
Due within one year	72,670
Due in more than one year	4,242
Net pension liability	212,570
Total liabilities	376,913
Deferred inflows of resources - PERSI	3,859
NET POSITION	
Net investment in capital assets	2,491,510
Unrestricted	1,219,360
Total Net Position	$ 3,710,870

See accompanying notes to the financial statements and independent auditors' report

EAST SIDE FIRE DISTRICT
Statement of Activities
For the Year Ended December 31, 2024

FUNCTIONS/PROGRAMS:	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Governmental Activities					
Public safety	$ 938,084	$ 75,853	$ 104,151	$ -	$ (758,080)
Total governmental activities	$ 938,084	$ 75,853	$ 104,151	$ -	(758,080)

General revenues:	
Property taxes, levied for general purposes	760,835
Sales taxes	39,361
Other revenue	23,715
Interest income	47,181
Total general revenues	871,092
Change in net position	113,012
Net position - January 1, 2024	3,597,858
Net position - December 31, 2024	$ 3,710,870

See accompanying notes to the financial statements and independent auditors' report

EAST SIDE FIRE DISTRICT
Balance Sheet
Governmental Funds
December 31, 2024

ASSETS		
Cash and cash equivalents	$	670,040
Property taxes receivable		702,671
Prepaid expenses		4,001
Total assets	$	1,376,712
LIABILITIES		
Accounts payable	$	53,743
Accrued payroll and taxes		10,688
Total liabilities		64,431
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue- property taxes		243,250
Total deferred inflows of resources		243,250
FUND BALANCES		
Nonspendable- prepaid expenses		4,001
Unassigned		1,065,030
Total fund balances		1,069,031
Total liabilities, deferred inflows of resources and fund balances	$	1,376,712

See accompanying notes to the financial statements and independent auditors' report

EAST SIDE FIRE DISTRICT
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
December 31, 2024

Total fund balances at December 31, 2024 - Governmental Funds		$ 1,069,031
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds:		
Cost of capital assets at December 31, 2024	5,045,414	
Less: Accumulated depreciation as of December 31, 2024	(2,483,845)	2,561,569
Intangible assets used in governmental activates are not financial resources and therefore, are not reported in the funds		6,769
Deferred outflows of resources represent a consumption of fund equity that will be reported as an outflow of resources in a future period and therefore, are not reported in the funds:		
Deferred outflows of resources-pension plan		146,592
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds:		
Elimination of unavailable revenue - property taxes		243,250
Unearned income that is not reported in the fund financial statements		(23,000)
Deferred inflows of resources represent a consumption of fund equity that will be reported as an inflow of resources in a future period and therefore, are not reported in the funds:		
Deferred inflows of resources-pension plan		(3,859)
Net pension liability		(212,570)
Some liabilities are not due and payable in the current period and therefore, are not reported in the funds. Those liabilities consist of:		
Long-term lease payable		(76,912)
Net position of governmental activities at December 31, 2024		$ 3,710,870

See accompanying notes to the financial statements and independent auditors' report

EAST SIDE FIRE DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
For the Year Ended December 31, 2024

REVENUES	
Property taxes	$ 739,855
Sales taxes	39,361
Impact fees	39,003
Grants and donations	104,151
Kootenai County Emergency Medical Service System	36,850
Other revenue	22,715
Interest income	47,181
Total revenues	1,029,116
EXPENDITURES	
Operating expenditures:	
Salaries and wages	343,599
Vehicle supplies, repairs, and maintenance	74,777
Insurance	44,257
Administrative	25,945
Retirement	34,640
Payroll tax expenses	27,130
EMS (Emergency Medical Service)	9,062
Health Insurance	21,928
Professional fees	10,205
Gas and diesel fuel	10,776
Utilities	14,628
Stations	15,127
Office	9,904
Dues and subscriptions	8,451
Grant and donation expense (fundraising)	10,760
PPE (Personal Protective Equipment)	7,194
Volunteer incentive program	6,316
Conferences and meetings	976
Uniforms	958
Telephone	2,891
Training and education	1,973
Other expense	124
Rent	11,400
Capital expenditures and debt service:	
Capital outlay	537,915
Debt service - principal	68,197
Debt service - interest	3,774
Total expenditures	1,302,907
NET CHANGE IN FUND BALANCES	(273,791)
FUND BALANCES - BEGINNING	1,342,822
FUND BALANCES - ENDING	$ 1,069,031

See accompanying notes to the financial statements and independent auditors' report

EAST SIDE FIRE DISTRICT
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of the Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2024

Total changes in fund balances for the year ended December 31, 2024	$ (273,791)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.	
Capital outlay	537,915
Depreciation	(187,655)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:	
Property Taxes	20,980
Rental income	1,000
Amortization of intangible assets are recognized as an expense in the statement of activities	(2,620)
The issuance of long-term debt (e.g., bonds, leased) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	
Debt principal payments considered as an expenditure	70,756
The net pension effect related to the pension expense recognized for the year:	
PERSI contributions	36,278
Defined benefit plan expense	(89,851)
Change in net position of governmental activities for the year ended December 31, 2024	$ 113,012

See accompanying notes to the financial statements and independent auditors' report

EAST SIDE FIRE DISTRICT
Notes to the Financial Statements
December 31, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity
East Side Fire District was organized on October 13, 1993, in Harrison, Idaho.

East Side Fire District is a local governmental unit governed by a board of commissioners. The purpose of the District is to provide fire protection and emergency medical services to citizens within the District boundaries.

Reporting Entity – A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure the financial statements are not misleading. The primary government of East Side Fire District consists of all funds, departments, boards and agencies that are not legally separate from the District. For East Side Fire District, this includes general operations.

The financial statements of East Side Fire District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant of the District's accounting policies are described below:

Fund Accounting
The District uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain District functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts.

Governmental Funds
Governmental funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The District has one governmental fund, the general fund.

General Fund – The general fund is used to account for all financial resources except those required to be accounted for in another fund. The general fund is available for any purpose provided it is expended or transferred according to Idaho State law.

Basis of Presentation – Government-wide Financial Statements
The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government. The District has activities that are considered to be governmental as opposed to business-type activities.

The government-wide statements are prepared using the economic resources measurement focus. This differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore are clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the District.

Fund Financial Statements
Fund financial statements report detailed information about the District. The focus of governmental fund statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type. The District maintains only a governmental-type general fund.

The accounting and reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e. revenues and other financing sources) and uses (i.e. expenditures and other financing uses) of current financial resources.

Basis of Accounting
Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified-accrual basis of accounting.

Revenues – Exchange and Non-exchange Transactions – Revenues resulting from exchange transactions, in which each party receives essentially equal value, are recorded on the accrual basis when the exchange takes place. On a modified-accrual basis, revenues are recorded in the fiscal year in which the resources are measurable and available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within 60 days of the fiscal year end.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On the accrual basis, 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 have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified-accrual basis, revenues from nonexchange transactions must also be available before it can be recognized. Under the modified-accrual basis, the following revenue sources are considered to be measurable and available at the fiscal year then ended: property taxes available in advance, interest, grants and rentals.

Unearned / unavailable Revenue – Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Expenses/Expenditures – On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related liability is incurred, if measurable. Allocations of costs such as depreciation are not recognized in governmental funds.

Cash and Cash Equivalents
In the general fund, cash received by the District is pooled for investment purposes and is presented as "Cash and Cash Equivalents" on the financial statements. For presentation in the financial statements, investments with an original maturity of three months or less at the time they are purchased by the District are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

Capital Assets
General capital assets usually result from expenditures in the governmental funds. These assets are reported in the government-wide statement of net position but are not reported in fund financial statements.

All capital assets are capitalized at cost and updated for additions and retirements during the year. The District maintains a capitalization threshold of $1,000 for assets. Improvements and interest incurred during construction of capital assets are capitalized. The cost of normal repairs and maintenance that do not add to the value of the asset or materially extend the assets useful life are not capitalized.

Accrued Liabilities and Long-term Obligations
All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, claims and judgments and the noncurrent portion of finance leases, which will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. In general, payments made within 60 days after year end are considered to have been made with current available financial resources. Bonds and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

Finance purchase obligations in the governmental funds, in the year of inception are reported as expenditure for the asset and an offsetting other financing source income.

Lease obligations are defined as a lease contractual agreement that conveys control of the right to use another entity's nonfinancial asset, for a minimum contractual period of greater than one year, in exchange or exchange-like transaction. The District leases nonfinancial assets such as buildings and equipment. The related obligations are presented in the amounts equal to the present value of lease payments, payable during the remaining lease terms. As a lessee, a lease liability and the associated lease asset (right-to-use asset) is recognized on the government-wide statement of net position. The present value of lease payments are discounted based on the incremental borrowing rated determined by the District.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance Classifications

GASB Statement No. 54 requires the District to classify and report amounts in the appropriate fund balance classifications, as described below. The District's accounting and finance policies are used to interpret the nature and/or requirements of the funds and their corresponding assignment as restricted, committed, assigned, or unassigned.

The District reports the following classifications as applicable:

Non-spendable Fund Balance – Non-spendable fund balances are amounts that cannot be spent because they are either: (a) not in spendable form – such as inventory or prepaid insurance or (b) legally or contractually required to be maintained intact – such as a trust that must be retained in perpetuity.

Restricted Fund Balance – Restricted fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. Restrictions are placed on fund balances when legally enforceable legislation establishes a specific purpose for the funds. Legal enforceability means that the District can be compelled by an external party (e.g., citizens, public interest groups, the judiciary) to use resources created by enabling legislation only for the purposes specified by the legislation.

Committed Fund Balance – Committed fund balances are amounts that can only be used for specific purposes as a result of constraints imposed by the Board of Commissioners. Amounts in the committed fund balance classification may be used for other purposes with the appropriate due process by the Board of Commissioners. Committed fund balances differ from restricted fund balances because the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

Assigned Fund Balance – Assigned fund balances are amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by: (a) the secretary/treasurer, or (b) an appointed body (e.g., a budget or finance committee) or official to which the Commissioners have delegated the authority to assign, modify, or rescind amounts to be used for specific purposes. Assigned fund balance includes: (a) all remaining amounts that are reported in governmental funds (other than the general fund) that are not classified as non-spendable, restricted, or committed, and (b) amounts in the general fund that are intended to be used for a specific purpose. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service, or permanent fund, are assigned for purposes in accordance with the nature of their fund type. Assignment within the general fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the District itself.

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

Net Position

Net position represents the difference between assets and liabilities. Net position invested in capital assets (net of related debt) consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)

Extraordinary and Special Items
Extraordinary items are transactions that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Commissioners and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during the year ended December 31, 2024.

Estimates
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Property Taxes
Property taxes levied for 2024 are recorded as receivables. In the fund financial statements, property taxes are recorded as revenue in the period levied to the extent that they are collected within 60 days after year-end, in accordance with the modified-accrual basis of accounting. Receivables collectible after the 60 day date are reflected in the fund financial statements as deferred inflows of resources. In the government-wide financial statements, property taxes are recorded as revenue in the period levied in accordance with the accrual basis of accounting. The District's property tax is levied each November based on the assessed value listed as of the prior September for all property located within the District. Assessed values are established by the County Assessor. Property tax payments are due in one-half installments in December and June.

Deferred Outflows/Inflows of Resources
In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District does not currently have any deferred outflows of resources.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one type of these items, which arise under the government-wide accrual basis of accounting that qualifies for reporting in this category and one item, which arises only under a modified accrual basis of accounting. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source: property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available. The other item (reported in the government-wide statements) is an amount related to the pension base plan. See note 9 for details on the pension plan. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information
Budgets are adopted on a basis consistent with generally accepted accounting principles. An annual budget is adopted for the general fund. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed as an extension of formal budgetary integration in the general fund. This is in conformance with Idaho State Statutes, which require that appropriations lapse at the end of a fiscal year and are not available to be carried forward to be used in addition to the succeeding year's appropriation. The budget was not amended in the current fiscal year.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONCLUDED)

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.

b) Public hearings are set to obtain taxpayer comments.

c) Prior to September 1, the budget is adopted by resolution of the Board of Commissioners and published.

Lapsing of Appropriations – At the close of each year, all unspent appropriations revert to the respective funds from which they were appropriated and become subject to future appropriation.

NOTE 3 – CASH AND INVESTMENTS

General

State statutes authorize the District's investments and deposits. The District is authorized to invest in demand deposits, savings accounts, U.S. Government obligations and its agencies, obligations of Idaho and its agencies, fully collateralized repurchase agreements, prime domestic commercial paper, prime domestic bankers acceptances, bonds, debentures or notes of any corporation organized, controlled and operating within the U.S. which have at their purchase an "A" rating or higher, government pool and money market funds consisting of any of these securities listed. No violations of these categories have occurred during the year.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a failure of a financial institution, the District's deposits and investments may not be returned to it. The District does not have a deposit policy for custodial credit risk. As of December 31, 2024, the District's bank balance deposits were not exposed to custodial credit risk because it maintained its cash deposits in various financial institutions to the effect that the balance with each institution did not exceed the FDIC insurance limits.

Fair Value

The District's investments in 2a-7-like pools are valued based upon the value of pool shares. The District invests in one 2a-7-like pool, the Idaho State Investment Pool. The advisory board of the Idaho State Investment Pool is composed of members appointed pursuant to the requirements of the Public Funds Investment Act. The Idaho State Investment Pool is duly chartered and administered by the State Treasurer's office and consists of U.S. Treasury bills and notes, collateralized certificates of deposit and repurchase agreements.

As of December 31, 2024, the District had a balance in the Idaho State Investment Pool carried at cost of $543,516, which approximates fair market value. The District's portion of the Idaho State Investment Pool had an unrealized gain of $922 as of December 31, 2024, which has been recorded by the District.

The carrying amount of the District's deposits with financial institutions was $670,040 and the bank balance was $744,498.

NOTE 3 – CASH AND INVESTMENTS (CONTINUED)

Deposits without exposure to custodial credit risk:		
Amount insured by FDIC or other agencies	$	200,982
Total deposits without exposure to custodial credit risk		200,982
Deposits with exposure to custodial credit risk:		
Amount collateralized with securities held in trust, but not in the District's name		543,516
Total bank balance (deposits)	$	744,498
The carrying amount is displayed as follows in the financial statements:		
Statement of net position (page 4)		
Cash and cash equivalents	$	670,040
Cash and Cash equivalents at December 31, 2024 consist of the following:		
Cash		
Deposits with financial institutions	$	126,524
Cash equivalents		
Local state investment pool		543,516
	$	670,040

See accompanying independent auditors' report.

NOTE 4 – CAPITAL ASSETS

Following is a recap of capital assets for the fiscal year ended December 31, 2024:

	Restated Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	$ 140,342	$ -	$ -	$ 140,342
Construction in progress	635,805	533,960	-	1,169,765
Total capital assets, not being depreciated	776,147	533,960	-	1,310,107
Capital assets, being depreciated:				
Building and improvements	658,372	-	-	658,372
Fire trucks and vehicles	1,850,597	3,955	-	1,854,552
Vehicle and safety equipment	187,080	-	-	187,080
Communication equipment	494,855	-	-	494,855
Personal protective equipment	451,622	-	-	451,622
Office/station equipment	88,826	-	-	88,826
Total capital assets, being depreciated	3,731,352	3,955	-	3,735,307
Less accumulated depreciation:				
Building and improvements	273,526	25,859	-	299,385
Fire trucks and vehicles	1,280,501	75,978	-	1,356,479
Vehicle and safety equipment	166,677	8,086	-	174,763
Communication equipment	273,722	35,342	-	309,064
Personal protective equipment	264,627	34,895	-	299,522
Office/station equipment	37,137	7,495	-	44,632
Total accumulated depreciation	2,296,190	187,655	-	2,483,845
Total capital assets, being depreciated, net	1,435,162	(183,700)	-	1,251,462
Governmental activities capital assets, net	$ 2,211,309	$ 350,260	$ -	$ 2,561,569

Depreciation expense of $187,655 for the year ending December 31, 2024 was charged to the public safety- fire protection governmental function.

NOTE 5 – RIGHT-TO-USE ASSETS

In June 2023, the District entered into an agreement with Industrial Scientific Corporation, whereby they are leasing gas meters and accessories for $227 per month for 48 months. The District has recorded a right-to-use asset in the amount of $10,481, current year amortization expense is $2,620 The District used an interest rate of 2% for the calculation of the asset.

	Beginning Balance	Increases	Decreases	Ending Balance
Right-to-use assets:				
Industrial Scientific Corporation Gas Meters	10,481	-	-	10,481
Less accumulated amortization	1,092	2,620	-	3,712
Total right-to-use assets, net	$ 9,389	$ (2,620)	$ -	$ 6,769

See accompanying independent auditors' report.

NOTE 6 – LONG-TERM LIABILITIES

Changes in long-term obligations for the year ended December 31, 2024, are as follows:

	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year	Due in More Than One Year
Motorola finance lease	$ 138,256	$ -	$ 68,197	$ 70,059	$ 70,059	$ -
Industrial Scientific Corporation Gas Meters Lease	9,412	-	2,559	6,853	2,611	4,242
	$ 147,668	$ -	$ 70,756	$ 76,912	$ 72,670	$ 4,242

Equipment Finance Lease

The District entered into an equipment lease on June 22, 2020 with Motorola Solutions Inc. This lease qualifies as a finance lease as ownership of the assets transfer to the District at the end of the lease. The lease carries interest at 2.73% and requires annual principal payments. The lease is secured by the equipment, the cost of which is $332,164. As of December 31, 2024, current year depreciation of the leased assets totaled $33,216 and is included in depreciation expense on the financial statements. The total accumulated depreciation is $116,256.

Following is a summary of debt service requirement to maturity by years:

Year ending December 31	Principal	Interest	Total
2025	$ 70,059	$ 1,912	$ 71,971

Industrial Scientific Corporation Gas Meter Lease:

In June 2023, the District entered into an agreement with Industrial Scientific Corporation, whereby they are leasing gas meters and accessories for $227 per month for 48 months. The District used an interest rate of 2% for the calculation of the liability.

Future payments on the lease agreement are as follows:

Year ending December 31	Principal	Interest	Total
2025	$ 2,611	$ 113	$ 2,724
2026	2,663	61	2,724
2027	1,579	11	1,590
	$ 6,853	$ 185	$ 7,038

NOTE 7 – LONG-TERM AGREEMENT

Harrison Community Ambulance Association:

In May 2008, the District entered into an agreement with the Harrison Community Ambulance Association. The agreement allows the Ambulance Association to use land from the District for the purpose of constructing a building to serve the purpose of storing the Association's vehicles. The Association paid for all construction costs associated with the construction of the building ($40,000), and is obligated to pay for all of the building's operating and maintenance costs.

NOTE 7 – LONG-TERM AGREEMENT (CONCLUDED)

The agreement shall terminate in May 2048. If the agreement is terminated for any reason prior to this date, including the Association's breach thereof, the District agrees to reimburse the Association the sum of $1,000 for every year remaining in the term of the agreement up to the sum of $40,000.

No cash payments are remitted to the District from the Ambulance Association under the terms of the agreement. Instead the building constitutes consideration during the term of the agreement. As such, a building and unearned lease revenue has been recognized on the statement of financial position.

NOTE 8 – 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. The District contracts with an insurance company for property insurance and general liability insurance.

NOTE 9 – RETIREMENT BENEFITS

SEP-IRA:

The District maintains a SEP-IRA pension plan for its eligible employees. The District's contributions to the plan totaled $793 in fiscal year 2024.

PERSI PENSION PLAN:

East Side Fire District began contributing the Public Employee Retirement System of Idaho (PERSI or System) in October of 2022 which is a cost-sharing multiple-employer defined benefit pension plan administered by Public Employee Retirement System of Idaho (PERSI or System) 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 Board 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 who are Idaho citizens 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.

NOTE 9 – RETIREMENT BENEFITS

PERSI PENSION PLAN:

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 to a maximum of the Consumer Price Index movement or 6%, whichever is less; however, any amount above the 1% minimum is subject to review by the Idaho Legislature.

Member and Employer Contributions

Member and employer contributions paid to the Base Plan are set by statute and are established as a percent 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 (expressed as percentages of annual covered payroll) if current rates are actuarially determined to be inadequate or in excess to accumulate sufficient assets to pay benefits when due.

The contribution rates for employees are set by statute at 60% of the employer rate for general employees and 72% for police and firefighters. As of June 30, 2024, it was 6.71% for general employees and 9.83% for police and firefighters. The employer contribution as a percent of covered payroll is set by the Retirement Board and was 11.18% for general employees and 13.26% for police and firefighters, as of June 30, 2024. The rates increased to 7.18% for general employees and 14.65% for police and firefighters on July 1, 2024. The District's contributions were $33,847 for the year ended December 31, 2024.

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

At December 31, 2024, the District reported a liability (asset) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2024, and the total pension liability (asset) 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 (asset) was based on the District's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2024, the District's proportion was 0.00568271 percent.

For the year ended December 31, 2024, the District recognized pension expense (income) of $89,580. At December 31, 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
Differences between expected and actual experience	$ 33,843	$ -
Changes in assumptions or other inputs	8,421	-
Net difference between projected and actual earnings on pension plan investments	-	3,859
Changes in the District's proportion and differences between the District's contributions and the District's proportionate contributions	83,409	-
District's contributions subsequent to the measurement date	20,920	-
Total	$ 146,593	$ 3,859

See accompanying independent auditors' report.

NOTE 9 – RETIREMENT BENEFITS (CONTINUED)

PERSI PENSION PLAN:

$20,920 reported as deferred outflows of resources related to pensions resulting from District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ending December 31, 2024.

The average of the expected remaining service lives of all employees that are provided with pensions through the System (active and inactive employees) determined at July 1, 2022, the beginning of the measurement period ended June 30, 2023, is 4.4 and 4.4 for the measurement period ending June 30, 2024.

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

Year Ended June 30:		
2025	$	39,207
2026		68,350
2027		13,348
2028		911

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 June 30, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.30%
Salary increases**	3.05%
Investment rate of return*	6.35%
Cost-of-living (COLA) adjustments	1.00%

*net of investment fees
**there is an additional component of assumed salary growth (on top of the 3.05%) that varies for each individual member based on the years of service.

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

NOTE 9 – RETIREMENT BENEFITS (CONTINUED)

PERSI PENSION PLAN:

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%. 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 July 1, 2015, through June 30, 2020, which reviewed all economic and demographic assumptions other than mortality. The Total Pension Liability (asset) 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 weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Actuarial Assumptions (continued)

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 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.

NOTE 9 – RETIREMENT BENEFITS (CONTINUED)

PERSI PENSION PLAN:

Actuarial Assumptions (continued)

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%
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 pension plans' 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 District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.35%, as well as what the District's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.35%) or 1-percentage-point higher (7.35%) than the current rate:

	1% Decrease 5.35%	Current Discount Rate 6.35%	1% Increase 7.35%
District's proportionate share of the net pension liability (asset)			
Total Plan	$ 403,949	$ 212,570	$ 56,262

See accompanying independent auditors' report.

NOTE 9 – RETIREMENT BENEFITS (CONCLUDED)

PERSI PENSION PLAN:

Pension Plan Fiduciary Net Position
Detailed information about the pension plan's fiduciary net position is available in the separately issued PERSI financial report.

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.

There were payables related to PERSI at year end in the amount of $4,679.

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF EASTSIDE FIRE DISTRICT'S
SCHEDULE OF DISTRICT'S SHARE OF NET PENSION LIABILITY
PERSI - Base Plan
Last 10 - Fiscal Years *

	12/31/2024	12/31/2023
Eastside Fire District's portion of the net pension liability (asset)	0.00568271%	0.00316953%
Eastside Fire District's proportionate share of the net pension liability (asset)	$ 212,570	$ 126,486
Eastside Fire District's covered-employee payroll	$ 243,978	$ 203,733
Eastside Fire District's proportional share of the net pension liability (asset) as a percentage of its covered-employee payroll	87.13%	62.08%
Plan fiduciary net position as a percentage of the total pension liability (asset)	85.54%	83.83%

* GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, East Side Fire District will present information for those to use for which information is available.

Data reported is measured as of June 30, 2024 (measurement date)

SCHEDULE OF DISTRICT'S CONTRIBUTIONS
PERSI - Base Plan
Last 10 - Fiscal Years *

	12/31/2024	12/31/2023
Statutorily required contribution	$ 36,963	$ 13,843
Contributions in relation to the statutorily required contribution	$ 31,505	$ 16,286
Contribution (deficiency) excess	$ (5,458)	$ 2,443
Eastside Fire District's covered-employee payroll	$ 243,978	$ 203,733
Contributions as a percentage of covered-employee payroll	12.91%	7.99%

* GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, East Side Fire District will present information for those to use for which information is available.

Data reported is measured as of June 30, 2024 (measurement date)

See accompanying notes to the financial statements and independent auditors' report

EAST SIDE FIRE DISTRICT
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended December 31, 2024

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
REVENUES				
Property taxes	$ 712,116	$ 712,116	$ 739,855	$ 27,739
Sales taxes	48,939	48,939	39,361	(9,578)
Impact fees	81,000	81,000	39,003	(41,997)
Grants and donations	24,968	24,968	104,151	79,183
Kootenai County Emergency Medical Service System	40,542	40,542	36,850	(3,692)
Other revenue	-	11,812	22,715	(17,827)
Interest income	35,000	35,074	47,181	12,107
Total revenues	942,565	954,451	1,029,116	45,935
EXPENDITURES				
Operating expenditures:				
Salaries and wages	328,243	328,243	343,599	15,356
Vehicle supplies, repairs, and maintenance	25,451	25,451	74,777	49,326
Insurance	37,728	37,728	44,257	6,529
Administrative	26,110	26,110	25,945	(165)
Retirement	30,289	30,289	34,640	4,351
Payroll tax expenses	33,623	33,623	27,130	(6,493)
EMS (Emergency Medical Service)	27,994	27,994	9,062	(18,932)
Health Insurance	20,244	20,244	21,928	1,684
Professional fees	9,530	9,530	10,205	675
Gas and diesel fuel	16,121	16,121	10,776	(5,345)
Utilities	18,208	18,208	14,628	(3,580)
Stations	14,900	14,900	15,127	227
Office	9,934	9,934	9,904	(30)
Dues and subscriptions	4,000	4,000	8,451	4,451
Grant and donation expense (fundraising)	24,198	24,198	10,760	(13,438)
PPE (Personal Protective Equipment)	20,603	20,603	7,194	(13,409)
Volunteer incentive program	12,556	12,556	6,316	(6,240)
Conferences and meetings	4,761	4,761	976	(3,785)
Uniforms	1,500	1,500	958	(542)
Telephone	2,748	2,748	2,891	143
Training and education	1,600	1,600	1,973	373
Other expense	655	655	124	(531)
Rent	11,400	11,400	11,400	-
Capital expenditures and debt service:				
Capital outlay	561,970	811,970	537,915	(274,055)
Debt service - principal	-	-	68,197	68,197
Debt service - interest	-	-	3,774	3,774
Total expenditures	1,244,366	1,494,366	1,302,907	(191,459)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(301,801)	(539,915)	(273,791)	266,124
NET CHANGE IN FUND BALANCES	(301,801)	(539,915)	(273,791)	266,124
FUND BALANCES - BEGINNING	301,801	539,915	1,342,822	802,907
FUND BALANCES - ENDING	$ -	$ -	$ 1,069,031	$ 1,069,031

See accompanying independent auditors' report

STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Data

Budgets are adopted on a basis consistent with generally accepted accounting principles. An annual budget is adopted for the general fund. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed as an extension of formal budgetary integration in the general fund.

This is in conformance with Idaho State Statutes, which require that appropriations lapse at the end of a fiscal year and are not available to be carried forward to be used in addition to the succeeding year's appropriation.

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.

b) Public hearings are set to obtain taxpayer comments.

c) Prior to January 1, the budget is adopted by resolution of the Board of Trustees and published.

Lapsing of Appropriations – At the close of each year, all unspent appropriations revert to the respective funds from which they were appropriated and become subject to future appropriation.

The District properly prepared and published its budget for the year, as required by US generally accepted accounting principles and Idaho Code 33-2713A. The budget is adopted on a modified accrual basis, consistent with the fund financial statements.

REPORT REQUIRED BY GAO

ALPINE SUMMIT CPAs

TAX, ASSURANCE, ACCOUNTING, ADVISORY

Office (208) 777-1099 Fax (202) 773-5108
1810 E. Schneidmiller Ave, Ste 310
Post Falls, ID 83854

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

To the Board of Commissioners
East Side Fire District
Harrison, Idaho

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of East Side Fire District, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise East Side Fire District's basic financial statements and have issued our report thereon dated November 6, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered East Side Fire District's internal control over financial reporting (internal control) as a basis for designing 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 East Side Fire District's internal control. Accordingly, we do not express an opinion on the effectiveness of East Side 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether East Side 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Alpine Summit CPAs

Alpine Summit CPAs
Post Falls, Idaho
November 6, 2025