GENESEE RURAL FIRE PROTECTION DISTRICT

FINANCIAL STATEMENTS

Years Ended September 30, 2024 and 2023

GENESEE RURAL FIRE PROTECTION DISTRICT

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	3
BASIC FINANCIAL STATEMENTS	
DISTRICT-WIDE FINANCIAL STATEMENTS	
Statements of Net Position	6
Statements of Activities	7
FUND FINANCIAL STATEMENTS	
Balance Sheets – Governmental Fund	8
Statements of Revenues, Expenditures, and Changes in Fund Balance - Governmental Fund	10
Notes to Financial Statements	12
REQUIRED SUPPLEMENTARY INFORMATION (RSI)	
Budgetary Comparison Schedule – General Fund - 2024	21
Budgetary Comparison Schedule – General Fund - 2023	22
SUPPLEMENTARY INFORMATION	
Independent Auditor's Report – *Government Auditing Standards*	24
Schedule of Findings and Responses	26

PRESNELL GAGE, PLLC
ACCOUNTING AND CONSULTING

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Genesee Rural Fire Protection District
Genesee, Idaho

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, and the major fund of the Genesee Rural Fire Protection District, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and the major fund of the Genesee Rural Fire Protection District, as of September 30, 2024, and the respective changes in financial position, and where applicable, cash flows thereof 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 the Genesee Rural Fire Protection 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.

Management's Responsibility 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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Lewiston Office: 1216 Idaho Street, Lewiston, Idaho 83501, (208) 746-8281
Moscow Office: 609 South Washington, Suite 202, Moscow, Idaho 83843, (208) 882-2211
Grangeville Office: 109 South Mill Street, Grangeville, Idaho 83530, (208) 983-1254
Orofino Office: P.O. Box 632, 216 Johnson Avenue, Orofino, Idaho 83544, (208) 476-3012
Pullman Office: 1230 SE Bishop Blvd., Pullman, Washington 99163, (509) 332-6541
Eagle Office: 1159 E Iron Eagle Drive, Suite 100, Eagle, Idaho 83616, (208) 319-2929

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules on pages 21 through 22, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in the 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.

The Genesee Rural Fire Protection District has not presented the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the 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 the missing information.

Reports on Summarized Comparative Information

We have previously audited the Genesee Rural Fire Protection District's 2023 financial statements, and we expressed an unmodified audit opinion on the financial statements of the governmental activities and the major fund in our report dated October 18, 2024. In our opinion, the summarized comparative information presented herein is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report, dated October 22, 2025, on our consideration of the Genesee Rural Fire Protection 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 Genesee Rural Fire Protection District's internal control over financial reporting and compliance.

Presnell Gage, PLLC

October 22, 2025
Moscow, Idaho

GENESEE RURAL FIRE PROTECTION DISTRICT

STATEMENTS OF NET POSITION
September 30, 2024 and 2023

	2024	2023
ASSETS		
Current assets		
Cash and investments	**$ 503,299**	$ 456,053
Property taxes receivable	**2,653**	6,892
Accounts receivable	**43,776**	1,625
Due from Genesee Community Firemen	**5,069**	
Total current assets	**554,797**	464,570
Restricted assets		
Cash and investments	**56,831**	77,293
Noncurrent assets		
Capital assets	**2,775,658**	2,752,032
Less accumulated depreciation	**(660,250)**	(539,318)
Total noncurrent assets	**2,115,408**	2,212,714
Total assets	**2,727,036**	2,754,577
DEFERRED OUTFLOWS OF RESOURCES		
Prepaid insurance		3,144
LIABILITIES		
Current liabilities		
Accounts payable	**13,222**	2,156
Accrued interest	**4,704**	5,786
Due to City of Genesee	**1,767**	3,963
Current portion of bond payable	**267,117**	258,458
Total current liabilities	**286,810**	270,363
Noncurrent liabilities		
Bonds payable	**856,250**	1,123,367
Total noncurrent liabilities	**856,250**	1,123,367
Total liabilities	**1,143,060**	1,393,730
NET POSITION		
Invested in capital assets, net of related debt	**992,041**	830,889
Restricted for capital outlay and debt service	**56,831**	77,293
Unrestricted	**535,104**	455,809
Total net position	**$ 1,583,976**	$ 1,363,991

See accompanying notes

GENESEE RURAL FIRE PROTECTION DISTRICT

STATEMENTS OF ACTIVITIES
Years Ended September 30, 2024 and 2023

	2024	2023
EXPENSES		
Functions/Programs		
Fire protection	**$ 62,793**	$ 35,009
Depreciation expense	**120,932**	118,419
Interest on debt	**45,070**	53,688
Total expenses	**228,795**	207,116
GENERAL REVENUES		
General property taxes	**315,678**	318,589
Earnings on investments	**29,203**	20,669
Penalty income	**681**	912
Intergovernmental	**24,980**	23,288
Charges for services	**57,330**	16,715
Other	**20,908**	29,834
Total general revenues	**448,780**	410,007
Change in net position	**219,985**	202,891
NET POSITION, beginning	**1,363,991**	1,161,100
NET POSITION, ending	**$ 1,583,976**	$ 1,363,991

See accompanying notes

GENESEE RURAL FIRE PROTECTION DISTRICT

BALANCE SHEETS - GOVERNMENTAL FUND
September 30, 2024 and 2023

	2024	2023
ASSETS		
Cash and investments	**$ 503,299**	$ 456,053
Property tax receivable	**2,653**	6,892
Accounts receivable	**43,776**	1,625
Due from Genesee Community Firemen	**5,069**	
Restricted cash and investments	**56,831**	77,293
Total assets	**611,628**	541,863
DEFERRED OUTFLOWS OF RESOURCES		
Prepaid insurance		3,144
Total assets and deferred outflows of resources	**$ 611,628**	$ 545,007
LIABILITIES AND FUND BALANCE LIABILITIES		
LIABILITIES		
Accounts payable	**$ 13,222**	$ 2,156
Due to the City of Genesee	**1,767**	3,963
Total liabilities	**14,989**	6,119
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - property taxes	**2,653**	6,893
Total deferred inflows of resources	**2,653**	6,893
FUND BALANCE		
Restricted for capital outlay and debt service	**56,831**	77,293
Unassigned fund balance	**537,155**	454,702
Total fund balance	**593,986**	531,995
Total liabilities and fund balance	**$ 611,628**	$ 545,007

See accompanying notes

GENESEE RURAL FIRE PROTECTION DISTRICT

RECONCILIATION OF THE STATEMENTS OF NET POSITION
TO THE BALANCE SHEETS - GOVERNMENTAL FUND
September 30, 2024 and 2023

	2024	2023
Total fund balance - governmental fund	**$ 593,986**	$ 531,995
Amounts reported for governmental activities in the statements of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental fund:		
Cost of capital assets	**2,775,658**	2,752,032
Accumulated depreciation	**(660,250)**	(539,318)
Delinquent property taxes receivable to be collected this year, but are not available soon enough to pay for the current period expenditures, and, therefore, are deferred in the fund.	**2,653**	6,893
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the fund:		
Net bond payable	**(1,123,367)**	(1,381,825)
Accrued interest	**(4,704)**	(5,786)
Total net position - governmental activities	**$ 1,583,976**	$ 1,363,991

See accompanying notes

GENESEE RURAL FIRE PROTECTION DISTRICT

STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUND
Years Ended September 30, 2024 and 2023

	2024	2023
REVENUES		
General property taxes	**$ 319,918**	$ 315,572
Earnings on investments	**29,203**	20,669
Penalty income	**681**	912
Intergovernmental	**24,980**	23,288
Charges for services	**57,330**	16,715
Other	**20,908**	29,834
Total revenues	**453,020**	406,990
EXPENDITURES		
Administration		
Fuel	**1,289**	314
Fireman training	**1,575**	
Professional fees	**7,298**	7,270
Insurance	**796**	930
Supplies	**9,595**	1,959
Repairs and maintenance	**2,176**	1,926
Travel	**180**	180
Bank fees	**10**	
Other expenses	**9,661**	167
Community fire station		
Insurance	**5,030**	3,909
Supplies	**1,127**	606
Repairs and maintenance	**11,425**	2,010
Professional fees		791
Utilities	**12,631**	14,947
Capital outlay	**23,626**	30,752
Debt service	**304,610**	304,750
Total expenditures	**391,029**	370,511
NET CHANGE IN FUND BALANCES	**61,991**	36,479
FUND BALANCE AT BEGINNING OF YEAR	**531,995**	495,516
FUND BALANCE AT END OF YEAR	**$ 593,986**	$ 531,995

See accompanying notes

GENESEE RURAL FIRE PROTECTION DISTRICT

RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUND TO THE STATEMENTS OF ACTIVITIES
Years Ended September 30, 2024 and 2023

	2024	2023
Deficiency of revenues over expenditures	**$ 61,991**	$ 36,479
Amounts reported for governmental activities in the statements of activities are different because:		
Capital outlays to purchase or build capital assets are reported in the governmental fund as expenditures. However, for governmental activities, those costs are shown in the statements of net position and allocated over their estimated useful lives as annual depreciation:		
Current year capital outlay that meets capitalization policy	**23,626**	30,752
Current year depreciation	**(120,932)**	(118,419)
Some property taxes will not be collected for several months after the fiscal year-end and they are not considered available revenues in the governmental fund. Instead, they are counted as deferred tax revenues until collected. They are, however, recorded as revenue in the statements of activities:		
Current year taxes receivable	**2,653**	6,893
Prior year taxes receivable	**(6,893)**	(3,942)
Amounts borrowed on long-term debt are reported in the governmental funds as other financing sources. Amounts repaid on long-term debt are reported in the governmental fund as expenditures. However, for governmental activities, the borrowing and repayment of funds is reflected as outstanding long-term debt:		
Current year payment of bond principal	**258,458**	250,080
Change in accrued interest	**1,082**	1,048
Total change in net position - governmental activities	**$ 219,985**	$ 202,891

See accompanying notes

1. SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity. The Genesee Rural Fire Protection District (the District) was organized under Section 31-1401 of the *Idaho Code*. The District operates under a Board of Commissioners consisting of three individuals who are each elected from one of three sub-districts within the District. The purpose of the District is to provide protection of property against fire and the preservation of life and enforcement of any fire codes and other rules that are adopted by the state fire marshal. The District's reporting entity includes the District government and all related organizations for which the District exercises oversight responsibility as defined by the Governmental Accounting Standards Board.

The District has developed criteria to determine whether outside agencies with activities, which benefit the citizens of the District should be included within its financial reporting entity. The criteria include, but are not limited to, whether the District (1) selects the governing authority or management, (2) has the ability to significantly influence operations, or (3) has accountability for fiscal matters (e.g., final budget approval of assets, etc.). The District has determined that no other outside agency meets the above criteria and, therefore, no other agency has been included as a component unit in the District's financial statements. In addition, the District is not aware of any entity that would exercise such oversight, which would result in the District being considered a component unit of the entity.

Measurement Focus and Basis of Accounting. The financial statements of the Genesee Rural Fire Protection District have been prepared in accordance with accounting principles generally accepted in the United States of America 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 District uses the following two bases of accounting in these financial statements:

Economic Resources Measurement Focus and Accrual Basis of Accounting

Under this measurement focus, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied.

Current Financial Resources Measurement Focus and Modified Accrual Basis of Accounting

Under this measurement focus, revenues are recognized when susceptible to accrual, i.e., both measurable and available. "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The District considers property taxes as available if they are collected within 60 days after year-end. Property taxes and interest are considered to be susceptible to accrual.

The District reports deferred revenue in its fund financial statements. Deferred revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Current Financial Resources Measurement Focus and Modified Accrual Basis of Accounting (Continued)

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, and claims and judgments, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under leases are reported as other financing sources.

Restricted Resources. Program expenses are allocated to restricted program revenue first and then to the next highest level of net position/fund balance restrictions when both restricted and unrestricted resources are available.

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

Nonspendable

Includes amounts that cannot be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact.

Restricted

Includes amounts that can be spent only for the specific purpose stipulated by external resource providers, constitutional provisions, or enabling legislation.

Committed

Includes amounts that can only be used for the specific purposes determined by a formal action of the government's highest level of decision-making authority.

Assigned

Includes amounts that are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed.

Unassigned

Residual classification of fund balance that includes all spendable amounts that have not been restricted, committed, or assigned.

District-Wide Financial Statements. The statements of net position and the statements of activities display information about the overall District using the economic resources measurement focus and the accrual basis of accounting. Eliminations have been made to minimize the double-counting of internal activities. These statements reflect only governmental activities of the District since there are no "business-type activities" within the Genesee Rural Fire Protection District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

District-Wide Financial Statements (Continued). The statements of activities present a comparison between direct expenses and program revenues for the District's sole function of protecting property and life against fire within the District boundaries. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) 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, including all taxes, are presented as general revenues.

Fund Financial Statements. The fund financial statements provide information about the District's general fund. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting.

Use of Estimates. The District uses estimates and assumptions in preparing financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that the District uses.

Cash and Investments. The District's cash accounts consist of checking and savings accounts in FDIC-insured accounts.

The District's investments consist of deposits in the Idaho State Treasurer's Local Government Investment Pool (LGIP). Investments are stated at fair value.

Deposits in the LGIP represent an interest in the pool rather than ownership of specific securities. The State Treasurer is the custodian of the LGIP, and no other regulatory oversight for the pool is established. The State Treasurer combines deposits from all governmental entities in the state, which participate in the pool, and purchases the following types of investments:

Local Certificates of Deposit
Repurchase Agreements
Corporate Bond/s Notes
U.S. Government Securities
Money Market Funds

Property Taxes. The District's property tax is levied by Nez Perce and Latah Counties in November and payable on December 20 and June 20 following the levy date. Taxes are collected by the Counties and are remitted to the District in the month following collection. The taxes are delinquent, and a lien is filed the day following the due dates. A tax deed is issued on property three years from the initial date of delinquency.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets. Capital assets are long-lived assets of the District as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. The District records all capital assets at their original cost. Interest is capitalized on capital assets during the construction period.

The District capitalizes equipment with an original unit cost of $1,000 or more and an expected life of more than 3 years. Equipment with an original unit cost of between $100 and $999 is not capitalized for depreciation purposes, but is recorded for inventory tracking purposes only.

Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings - 30 years, vehicles - 7 years, equipment and furniture - 10 years, computer equipment - 3 years.

Deferred Outflows/Inflows of Resources. In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. For example, insurance premiums paid in advance of the policy's effective date.

In addition to liabilities, the statement of net position has a separate section for deferred inflows of resources, which represents delinquent property taxes not collected within 60 days of fiscal year-end. These amounts are deferred and will be recognized as revenue when collected.

2. LEGAL COMPLIANCE – BUDGETS

The District follows the following procedures in establishing the budgetary data reflected in the financial statements:

1. At least ten days prior to the public hearing, the District publishes a proposed budget for public review.

2. A public hearing is set to obtain patrons' comments.

3. The final budget is adopted by the Board of Commissioners no later than the Tuesday following the first Monday in September for the following fiscal year.

The budget is a non-appropriated plan of spending, adopted on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Expenditures may not exceed the budget at the individual fund level. Expenditures exceeded the budget for the 2023 fiscal year.

3. DEPOSITS AND INVESTMENTS

Deposits. At September 30, 2024 and 2023, the carrying amount of the District's deposits was $140,950 and $127,292, respectively. The bank balance was considered covered by federal depository insurance.

3. DEPOSITS AND INVESTMENTS (CONTINUED)

Investments. At September 30, 2024 and 2023, all of the District's investments were held in the Idaho State Treasurer's Local Government Investment Pool. The fair value of these investments was $419,180 and $406,054, respectively. The total carrying value of this investment is considered uninsured.

Interest Rate Risk
Interest rate risk is the risk that changes in interest rates will reduce the value of the District's investments. The District does not have a policy regarding interest rate risk.

Custodial Risk
Custodial risk is the risk that, in the event of the failure of the investment custodian, the District will not be able to recover the value of its investments or collateral securities that are in the possession of the custodian.

Credit Risk
Credit risk is the risk that a borrower will fail to repay principal and interest in a timely manner. The District's investment in the Idaho State Treasurer's Local Government Investment Pool has not been issued an external credit quality rating.

Concentration of Credit Risk
The District has no policy on the amount they may invest in any one issuer.

Fair Value
Investments are measured on a recurring basis within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The District's investment in the Idaho State Treasurer's Local Government Investment Pool is measured with Level 2 inputs, which is the same inputs as the pool uses for its underlying investments.

4. CAPITAL ASSETS

A summary of changes in general fixed assets at September 30, 2024 and 2023, are as follows:

	2024			
	Beginning Balance	Additions	Deletions	Ending Balance
CAPITALIZED LISTING				
Nondepreciable assets				
Land	$ 39,000			$ 39,000
Depreciable assets				
Buildings and improvements	2,381,110			2,381,110
Equipment	141,356	$ 23,626		164,982
Vehicles	190,566			190,566
	2,752,032	$ 23,626	$ 0	2,775,658
ACCUMULATED DEPRECIATION				
Buildings and improvements	342,096	$ 82,230		424,326
Equipment	48,833	20,193		69,026
Vehicles	148,389	18,509		166,898
	539,318	$ 120,932	$ 0	660,250
CAPITAL ASSETS, net	$ 2,212,714			$ 2,115,408

	2023			
	Beginning Balance	Additions	Deletions	Ending Balance
CAPITALIZED LISTING				
Nondepreciable assets				
Land	$ 39,000			$ 39,000
Depreciable assets				
Buildings and improvements	2,367,133	$ 13,977		2,381,110
Equipment	124,581	16,775		141,356
Vehicles	190,566			190,566
	2,721,280	$ 30,752	$ 0	2,752,032
ACCUMULATED DEPRECIATION				
Buildings and improvements	259,866	$ 82,230		342,096
Equipment	31,153	17,680		48,833
Vehicles	129,880	18,509		148,389
	420,899	$ 118,419	$ 0	539,318
CAPITAL ASSETS, net	$ 2,300,381			$ 2,212,714

5. GENERAL LONG-TERM DEBT

The District issued general obligation bonds in the amount of $2,503,973 in 2019. The bonds are due in annual installments of $304,750 (including interest), through August 2028, interest at 3.35 percent.

A summary of changes in long-term debt at September 30, 2024 and 2023, are as follows:

	2024			
	Beginning Balance	Additions	Reductions	Ending Balance
Bond payable	$ 1,381,825	$ 0	$ 258,458	$ 1,123,367
Less current portion				267,117
Long-term debt payable				$ 856,250

	2023			
	Beginning Balance	Additions	Reductions	Ending Balance
Bond payable	$ 1,631,905	$ 0	$ 250,080	$ 1,381,825
Less current portion				258,458
Long-term debt payable				$ 1,123,367

Debt Repayment Schedule

Fiscal Year	Principal	Interest
2025	267,117	37,633
2026	276,065	28,684
2027	285,313	19,436
2028	294,872	9,878

6. RISK MANAGEMENT

The District is a member of the Idaho County Reciprocal Management Program (ICRMP). ICRMP is an all-lines aggregate insurance program providing liability, property, and casualty insurance coverage to Idaho's counties and other political subdivisions on a voluntary participation basis. ICRMP assumes or reinsures all risk for covered claims. Participants are charged an annual insurance premium with no additional assessments for losses.

6. RISK MANAGEMENT (CONTINUED)

The general insurance limits are as follows:

General liability	$3,000,000 per claim
Property damage	Total insured value for listed property, stated at original cost, not including infrastructure
Automobile liability	$3,000,000 per claim
Errors and omissions liability	$3,000,000 per claim
Crime insurance and bonding	$500,000 per claim
Chemical spraying liability	$500,000 per claim
Operational interruption	$2,500,000 per claim

7. RELATED PARTIES

The District works closely with the City of Genesee and the Genesee Community Firemen, Inc. (non-profit) for splitting operating expenses and occasionally sharing equipment. The District operates in a small rural community and from time-to-time, the District's commissioners will be involved in activities of the City or the non-profit.

The District also shares the construction and operational costs of the community fire station with the City. The District paid 77 percent of the construction costs and 67 percent of the operational costs. The City paid 23 percent of the construction costs and 33 percent of the operational costs. A Joint Committee, consisting of two firemen from the non-profit, two District commissioners and two City council members, was created to oversee the construction and operation of the station. The District maintains the station's bank account, and the City pays the District for their share of expenses.

REQUIRED SUPPLEMENTARY INFORMATION

GENESEE RURAL FIRE PROTECTION DISTRICT

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Year Ended September 30, 2024

	Budgeted Amounts		Actual Amounts Budgetary	Variance With
	Original	Final	Basis	Final Budget
REVENUES				
General property taxes	$ 339,410	$ 339,410	$ 319,918	$ (19,492)
Earnings on investments			29,203	29,203
Penalty income			681	681
Intergovernmental			24,980	24,980
Charges for services			57,330	57,330
Other	51,840	51,840	20,908	(30,932)
Total revenues	391,250	391,250	453,020	61,770
EXPENDITURES				
Administration				
Fuel	515	515	1,289	(774)
Fireman training	1,906	1,906	1,575	331
Professional fees	22,476	22,476	7,298	15,178
Insurance	1,154	1,154	796	358
Supplies	155	155	9,595	(9,440)
Repairs and maintenance	515	515	2,176	(1,661)
Travel	185	185	180	5
Bank fees			10	(10)
Other expenses	515	515	9,661	(9,146)
Community fire station				
Insurance	5,133	5,133	5,030	103
Supplies	541	541	1,127	(586)
Repairs and maintenance	5,900	5,900	11,425	(5,525)
Professional fees				
Utilities	19,750	19,750	12,631	7,119
Capital outlay	27,755	27,755	23,626	4,129
Debt service	304,750	304,750	304,610	140
Total expenditures	391,250	391,250	391,029	221
NET CHANGE IN FUND BALANCE	0	0	61,991	$ 61,991
FUND BALANCE AT BEGINNING OF YEAR	0	0	531,995	
FUND BALANCE AT END OF YEAR	$ 0	$ 0	$ 593,986	

Note: The budgetary comparison schedule is presented on the modified accrual basis of accounting, which is the same basis of accounting used by the District in the fund financial statements.

GENESEE RURAL FIRE PROTECTION DISTRICT

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Year Ended September 30, 2023

	Budgeted Amounts		Actual Amounts Budgetary	Variance With
	Original	Final	Basis	Final Budget
REVENUES				
General property taxes	$ 338,400	$ 338,400	$ 315,572	$ (22,828)
Earnings on investments			20,669	20,669
Penalty income			912	912
Intergovernmental			23,288	23,288
Charges for services			16,715	16,715
Other	48,000	48,000	29,834	(18,166)
Total revenues	386,400	386,400	406,990	20,590
EXPENDITURES				
Administration				
Fuel	500	500	314	186
Fireman training	2,850	2,850		2,850
Professional fees	8,200	8,200	7,270	930
Insurance	1,120	1,120	930	190
Supplies	650	650	1,959	(1,309)
Repairs and maintenance	500	500	1,926	(1,426)
Travel	180	180	180	
Other expenses			167	(167)
Community fire station				
Insurance	2,800	2,800	3,909	(1,109)
Supplies	525	525	606	(81)
Repairs and maintenance	2,000	2,000	2,010	(10)
Professional fees			791	(791)
Utilities	14,000	14,000	14,947	(947)
Capital outlay	15,000	15,000	30,752	(15,752)
Debt service	304,750	304,750	304,750	
Total expenditures	353,075	353,075	370,511	(17,436)
NET CHANGE IN FUND BALANCE	33,325	33,325	36,479	$ 3,154
FUND BALANCE AT BEGINNING OF YEAR	0	0	495,516	
FUND BALANCE AT END OF YEAR	$ 33,325	$ 33,325	$ 531,995	

Note: The budgetary comparison schedule is presented on the modified accrual basis of accounting, which is the same basis of accounting used by the District in the fund financial statements.

SUPPLEMENTARY INFORMATION

INDEPENDENT AUDITOR'S REPORT – *GOVERNMENT AUDITING STANDARDS*

Board of Commissioners
Genesee Rural Fire Protection District
Genesee, 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 the major fund of the Genesee Rural Fire Protection District, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Genesee Rural Fire Protection District's basic financial statements, and have issued our report thereon dated October 22, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Genesee Rural Fire Protection 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 Genesee Rural Fire Protection District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Genesee Rural Fire Protection District's internal control.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We identified a certain deficiency in internal control over financial reporting, described in the accompanying schedule of findings and responses, item #2024-001, that we consider to be a significant deficiency.

Lewiston Office: 1216 Idaho Street, Lewiston, Idaho 83501, (208) 746-8281
Moscow Office: 609 South Washington, Suite 202, Moscow, Idaho 83843, (208) 882-2211
Grangeville Office: 109 South Mill Street, Grangeville, Idaho 83530, (208) 983-1254
Orofino Office: P.O. Box 632, 216 Johnson Avenue, Orofino, Idaho 83544, (208) 476-3012
Pullman Office: 1230 SE Bishop Blvd., Pullman, Washington 99163, (509) 332-6541
Eagle Office: 1159 E Iron Eagle Drive, Suite 100, Eagle, Idaho 83616, (208) 319-2929

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Genesee Rural Fire Protection District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Genesee Rural Fire Protection District's Response to Findings

Government Auditing Standards require the auditor to perform limited procedures on The Genesee Rural Fire Protection District's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Genesee Rural Fire District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Presnell Gage, PLLC

October 22, 2025
Moscow, Idaho

SIGNIFICANT DEFICIENCY

Finding #2024-001

Criteria: Internal control systems generally attempt to divide up accounting tasks among multiple individuals (segregation of duties) to improve the ability of the organization to identify errors within the accounting system.

Condition: The District has concentrated many accounting duties to one individual such that the desired segregation of duties is not possible.

Effect: Many accounting duties are performed by a single individual with limited oversight available within the District.

Response: The District's management and Board believe that the cost of hiring additional accounting staff outweighs the benefits that segregation of duties would provide.

Recommendation: We concur with the District's response.