HAUSER LAKE FIRE PROTECTION DISTRICT

FINANCIAL AUDIT REPORTS AND STATEMENTS

FOR THE YEAR ENDED
SEPTEMBER 30, 2024

Prepared by

ALPINE SUMMIT CPAs

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INDEPENDENT AUDITORS' REPORT

ALPINE SUMMIT CPAs

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INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Hauser Lake Fire Protection District
Hauser, ID

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 the Hauser Lake Fire Protection District, Idaho as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Hauser Lake Fire Protection District, Idaho, 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 principle 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 Hauser Lake Fire Protection District, Idaho, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Hauser Lake Fire Protection District, Idaho'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 Hauser Lake Fire Protection District 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 Hauser Lake Fire Protection District 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 Schedule of District's Share of Net Pension Liability and the Schedule of District's Contributions and the budgetary comparison information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's 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 February 27, 2025, on our consideration of the Hauser Lake Fire Protection District, Idaho's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 the Hauser Lake Fire Protection District, Idaho'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 Hauser Lake Fire Protection District, Idaho's internal control over financial reporting and compliance.

Alpine Summit CPAs

Alpine Summit CPAs
February 27, 2025

BASIC FINANCIAL STATEMENTS

HAUSER LAKE FIRE PROTECTION DISTRICT
Statement of Net Position
September 30, 2024

ASSETS		
Cash	$	500,693
Receivables:		
Accounts receivable		55,947
Property taxes		2,123
Prepaid insurance		10,282
Capital assets, net		723,021
Total Assets		1,292,066
DEFERRED OUTFLOWS OF RESOURCES		
Pension plan		16,180
LIABILITIES		
Accounts payable and accrued expenses		18,136
Payroll liabilities		4,024
Compensated absences payable		397
Net Pension Liability		65,659
Total Liabilities		88,216
DEFERRED INFLOWS OF RESOURCES		
Deferred revenue - impact fees		144,135
Pension plan		2,325
Total Deferred Inflows of Resources		146,460
NET POSITION		
Net investment in capital assets		723,021
Unrestricted		350,549
Total Net Position	$	1,073,570

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

HAUSER LAKE FIRE PROTECTION DISTRICT
Statement of Activities
Year Ended September 30, 2024

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants & Contributions	Net (Expenses) Revenues and Changes in Net Position
Governmental Activities					
Administrative & Personnel	$ 126,660	$ -	$ -	$ -	$ (126,660)
Maintenance	49,472	-	-	-	(49,472)
Training	5,048	-	-	-	(5,048)
Communications	655	-	-	-	(655)
Department Operations	31,895	57,590	306	-	26,001
Depreciation - unallocated	79,706	-	-	-	(79,706)
Pension Plan	19,569	-	-	-	(19,569)
Total Governmental Activities	$ 313,005	$ 57,590	$ 306	$ -	(255,109)
General Revenues:					
Property Taxes					261,663
Sales Tax					12,095
EMS Revenue					22,638
Impact Fees					19,422
Miscellaneous Revenue					13,554
Total general revenues and transfers					329,372
Change in Net Position					74,263
Net position-beginning					999,307
Net position-ending					$ 1,073,570

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

HAUSER LAKE FIRE PROTECTION DISTRICT
Balance Sheet
Governmental Funds
September 30, 2024

ASSETS		
Cash & Investments	$	500,693
Receivables:		
Accounts receivable		55,947
Property taxes		2,123
Total Assets	$	558,763
LIABILITIES & FUND BALANCE		
Accounts payable and accrued expenses	$	18,136
Payroll liabilities		4,024
Total Liabilities		22,160
DEFERRED INFLOWS OF RESOURCES		
Deferred revenue - impact fees		144,135
Unavailable revenue - property taxes		-
Total Deferred Inflows of Resources		144,135
FUND BALANCE		
Assigned:		
Equipment replacement		30,000
Unassigned:		362,468
Total Fund Balance		392,468
Total Liabilities, Deferred Inflows of Resources and Fund Balance	$	558,763

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

HAUSER LAKE FIRE PROTECTION DISTRICT
Reconciliation of the Balance Sheet
Governmental Funds
September 30, 2024

Total fund balances at September 30, 2024 - Governmental Funds		$ 392,468
Prepaid expenses are not current financial resources and therefore, are not reported in the funds:		10,282
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds:		
Cost of capital assets	1,485,410	
Less accumulated depreciation	(762,389)	723,021
Deferred outflows of resources represent a consumption of fund equity that will be reported as an outflow of resources in a future period and there fore, are not reported in the funds:		
Deferred outflows of resources - pension plan		16,180
Other long-term assets are to available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds:		
Elimination of unavailable revenue - property taxes		-
Deferred inflows of resources represent an acquisition of fund equity that will be recognized as an inflow of resources in a future period and therefore, are not reported in the funds:		
Deferred inflows of resources - pension plan		(2,325)
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:		
Compensated Absences Payable	(397)	
Net pension asset/(liability)	(65,659)	(66,056)
Net position of governmental activities at September 30, 2024		$ 1,073,570

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

HAUSER LAKE FIRE PROTECTION DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balance - All Governmental Fund Types
Year Ended September 30, 2024

Revenues:		
Property Taxes	$	263,699
Sales Taxes		12,095
EMS Subsidy		22,638
Impact Fees		19,422
Grant Income		57,896
Other Income		13,554
Total Revenues		389,304
Expenditures:		
Administrative & Personnel		137,421
Maintenance		49,472
Training		5,048
Communications		655
Department Operations		31,895
Capital Outlay		76,966
Total Expenditures		301,457
Excess (Deficiency) of Revenues Over Expenditures		87,847
Other Financing Sources (Uses):		
Proceeds from Sale of Capital Assets		-
Total Other Financing Sources (Uses)		-
Net Change in Fund Balance		87,847
Fund Balance - Beginning		304,621
Fund Balance - Ending	$	392,468

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

HAUSER LAKE FIRE PROTECTION DISTRICT
Reconciliation of the Statement of Revenues, Expenditures and Change in Fund Balances of Governmental Funds to the Statement of Activities
Year Ended September 30, 2024

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds		$ 87,847
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.		(2,740)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(2,037)
Some items reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. The activities consist of:		
Increase in prepaid expenses	768	
Decrease in compensated absence liability	694	
Increase in pension plan expense	(19,569)	
Decrease in PERSI contributions	9,300	
		(8,807)
Change in net position of governmental activities		$ 74,263

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Hauser Lake Fire Protection District (the "District") is a government entity incorporated under the laws of the State of Idaho. The governing body of the District is the Board of Commissioners, consisting of three members. The District provides fire protection services as well as EMS services and receives it funding through property tax assessments and subsidy income from Kootenai County.

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

Component units are legally separate organizations for which the District is financially accountable. Component units may include organizations that are fiscally dependent on the District in that the District approves their budget, the issuance of their debt, or the levying of taxes. The District has no component units.

The accounting methods and procedures adopted by the District in accordance with generally accepted accounting principles as applied to governmental entities. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following notes to the financial statements are an integral part of the District's basic financial statements.

The financial statements of the District have been prepared in accordance with generally accepted accounting principles (GAAP) as applies to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more 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 segregation transactions related to certain District functions or activities.

Governmental Funds – Governmental fund 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 the laws of the State of Idaho.

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, is 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 sixty 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 an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donation 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 of the fiscal year when use is first permitted.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes available in advance, interest, and grants.

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 fund liability is incurred, if measurable. Allocations of cost, 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" on the financial statements. For presentation in the financial statements, investments with an original maturity of one year or less are considered to be cash equivalents. Investments with an initial maturity of more than one year 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 the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of $5,000. The District does not possess any infrastructure. Improvements and interest incurred during the construction of capital assets are capitalized. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

All reported capital assets are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Description	Estimated Lives
Building and improvements	30 years
Equipment	5-10 years
Fire trucks/vehicles	5-30 years

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 capital 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.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and balance sheet 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(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The government has one such item associated with the pension base plan that qualifies for reporting in this category on the statement of financial position.

In addition to liabilities, the statement of net position and balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenues) until that time. The government has three types of deferred inflow items, two of which arise under the government-wide accrual basis of accounting that qualifies for reporting in this category and two items which arise under the modified accrual basis of accounting. One item, unavailable revenue from property taxes is reported on the governmental fund balance sheet. Another item is associated with the pension base plan and reported in the statement of net position only. The third item, unearned revenue related to impact fees collected by the District, is reflected on both the governmental fund balance sheet and the statement of net position. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Pensions

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

Net Position Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund Balance Flow Assumptions
Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policies
Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a committed (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The governing commission is the highest level of decision-making authority of the government that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The commission may assign fund balance. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Fund balances are classified as follows:

Nonspendable—Amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact.

Restricted—Amounts that can be spent only for specific purposes because of the state or federal laws, or externally imposed conditions by grantors or creditors.

Committed—Amounts that can be used only for specific purposes determined by a formal action by Board of Commissioner's resolution. This includes the budget reserve account.

Assigned—Amounts that are designated by the Chief for a specific purpose but are not spendable until a budget ordinance is passed by the Board of Commissioners.

Unassigned—All amounts not included in other spendable classifications.

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

Program Revenues
Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Property Taxes and Deferred Tax Revenues
Property taxes levied for 2023 are recorded as receivables, per related fiscal year. In the fund financial statements, property taxes are recorded as revenue in the period levied to the extent that they are collected within sixty (60) days of 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 revenues. In the district-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 on the assessed value listed as of the prior September for all property located in the District. Assessed values are established by the County Assessor. Property tax payments are due in one-half installments in December and June.

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 (including boiler and machinery) and general liability insurance.

NOTE 2 – CASH AND INVESTMENTS

General
State statutes authorize the District's investments. 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.

Investments
GASB Statement No. 40 requires the District to assign risk categories for its investments, except those in which securities are not used as evidence of the investment. Credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. The short-term investment pools are not evidenced by securities that exist in physical or book entry form and accordingly, are not categorized for credit risk.

Custodial Credit Risk
Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk as it deposits funds in financial institutions that are members of the U.S. Federal Deposit Insurance Corporation (FDIC) and has never experienced such a loss.

As of September 30, 2024, the District's deposits were exposed to custodial credit risk as follows:

Deposits without exposure to custodial credit risk:	
Amount insured by FDIC or other agencies	$ 36,823
Total deposits without exposure to custodial credit risk	36,823
Deposits with exposure to custodial credit risk:	
Amount collateralized with securities held in trust, but not in District's name	467,034
Amounts uninsured-exposed to custodial credit risk	-
Total deposits with exposure to custodial credit risk	467,034
Total bank balance (deposits)	$ 503,857
The carrying amount is displayed as follows in the financial statements:	
Statement of net position	
Cash and investments	$ 500,693
	$ 500,693
Cash and investments at September 30, 2024, consist of the following:	
Cash	
Deposits with financial institutions	$ 33,659
Cash equivalents	
Deposits with Idaho state investment pool	467,034
Total cash and investments	$ 500,693

NOTE 3 – RECEIVABLES AND DEFERRED INFLOWS OF RESOURCES – PROPERTY TAXES

The following is a schedule of property taxes assessed for the year, collected and remaining to be received.

Balance 9/30/2023	Levy 2022	Adjustments & Collections	Balance 9/30/2024
$ 2,739	$ 255,392	$ 256,008	$ 2,123

In accordance with NCGA Interpretation #3, revenue which is not received within 60 days of the year-end, has been reflected as deferred inflows of resources – unavailable property taxes.

The balance as of September 30, 2024 is as follows:

Taxes due at September 30, 2024	$ 2,123
Received October 2024	(1,300)
Received November 2024	(823)
Total	$ -

Accounts receivable include amounts due from various customers generally for permit and inspection fees. All receivables are current and therefore due within one year. Receivables are reported net of an allowance for uncollectible accounts and revenues net of uncollectible. Allowances are reported when accounts are proven to be uncollectible. Allowance for uncollectible accounts netted with accounts receivable was $0 for the year ended September 30, 2024.

NOTE 4 – CAPITAL ASSETS

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

	9/30/2023	Additions	Disposals	9/30/2024
Governmental Activities				
Capital assets being depreciated:				
Buildings & Improvements	$ 143,120	$ 4,877	$ -	$ 147,997
Fire trucks/vehicles	946,932	32,426	-	979,358
Equipment	318,392	39,663	-	358,055
Other assets	-	-	-	-
Total capital assets being depreciated	1,408,444	76,966	-	1,485,410
Accumulated Depreciation				
Buildings & Improvements	93,071	4,180	-	97,251
Fire trucks/vehicles	414,288	39,155	-	453,443
Equipment	175,324	36,371	-	211,695
Total accumulated depreciation	682,683	79,706	-	762,389
Total governmental activities capital assets, net	$ 725,761	$ (2,740)	$ -	$ 723,021

Depreciation expense of $79,706 for the year ended September 30, 2024 was charged to the public safety – fire protection governmental function. Assets are located at various sites located throughout the District.

NOTE 5 – OPERATING AGREEMENT WITH KOOTENAI COUNTY EMERGENCY MEDICAL SERVICES SYSTEM

The District has entered into a cooperative agreement with Kootenai County Emergency Medical Services System (KCEMSS) authorized by Kootenai County. This agreement is to provide first responder services and mutual aid when the District has the available resources to do so. These employees shall remain the employees of the District at all times, and the District is responsible for payment of wages, benefits and payroll taxes. KCEMSS is required to pay the District annually for each year this agreement is in effect. For the year ended September 30, 2024, KCEMSS paid the District $22,638. This agreement is annually renewed and adjusted accordingly.

NOTE 6 – PERSI BASE PENSION PLAN

Plan Description

Hauser Lake Fire Protection District contributes to the Base Plan 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 (5 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.

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. 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) that are adequate 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 the employee rate was 6.71% for general employees and 9.83% for police and firefighters. As of July 1, 2024, the employee rate increased to 7.18% for general employees and increased to 10.83% for police and firefighters.

The employer contribution rate as a percentage of covered payroll is set by the Retirement Board and was 11.18% for general employees and 13.26% for police and firefighters during the period July 1, 2023, through June 30, 2024. As of July 1, 2024 the employer rates for general employees increased to 11.96% and increased for police and firefighters to 14.65%.

The District's contributions were $9,300 for the year ended September 30, 2024.

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

At September 30, 2024, the District reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions 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 0.00175528%.

For the year ended September 30, 2024, the District recognized pension expense of $19,569. At September 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 10,453	$ -
Changes in assumptions or other inputs	2,601	-
Net difference between projected and actual earnings on pension plan investments	-	1,192
Change in the District's proportion and differences between the District's contributions and the District's proportionate contributions	1,020	1,133
District's contributions subsequent to the measurement date	2,106	-
Total	$ 16,180	$ 2,325

$2,106 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 in the year ending September 30, 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, 2024, the beginning of the measurement period ended June 30, 2023 is 4.6 and 4.6 for the measurement period 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 September 30:	
2025	$ 3,221
2026	12,054
2027	(2,017)
2028	(1,509)

Actuarial Assumptions

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

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

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

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 including mortality. The total pension liability as of June 30, 2024 is based on the results of an actuarial valuation date of July 1, 2024.

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

Even though history provides a valuable perspective for setting the investment return assumption, the System relies primarily on an approach which builds upon the latest capital market assumptions. Specifically, the System uses consultants, investment managers and trustees to develop capital market assumptions in analyzing the System's asset allocation. The assumptions and the System's formal policy for asset allocation are shown below. The formal asset allocation policy is somewhat more conservative than the current allocation of 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. The capital market assumptions are as of 2024.

Capital Market Assumptions

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
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 calculated using the discount rate of 6.35%, as well as what the District's proportionate share of the net pension liability 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)	$ 124,772	$ 65,659	$ 17,378

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.

Payables to the pension plan

At September 30, 2024, the District reported no payables to the pension plan.

REQUIRED SUPPLEMENTARY INFORMATION

HAUSER LAKE FIRE PROTECTION DISTRIC
Schedule of District's Share of Net Pension Liability
PERSI - Base Plan
Last 10 - Fiscal Years *

	09/30/2024	09/30/2023	09/30/2022	09/30/2021	09/30/2020	09/30/2019	09/30/2018	09/30/2017	09/30/2016	09/30/2015
District's portion of the net pension liability	0.0017553%	0.0017304%	0.0016778%	0.0019063%	0.0017250%	0.0017365%	0.0016216%	0.0016459%	0.0015957%	0.0011280%
District's proportionate share of the net pension liability/(asset)	$ 65,659	$ 69,056	$ 66,086	$ (1,506)	$ 40,057	$ 19,822	$ 23,919	$ 25,871	$ 32,347	$ 14,854
District's covered-employee payroll	$ 80,276	$ 73,277	$ 65,881	$ 70,850	$ 61,169	$ 58,200	$ 55,500	$ 47,157	$ 47,720	$ 40,451
District's proportional share of the net pension liability as a percentage of its covered-employee payroll	81.79%	94.24%	100.31%	-2.13%	65.49%	34.06%	43.10%	54.86%	67.78%	36.72%
Plan fiduciary net position as a percentage of the total pension liability	85.54%	83.83%	83.09%	100.36%	88.22%	91.69%	91.69%	90.68%	87.26%	91.38%

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

Data reported is measured as of June 30, 2024

Schedule of District's Contributions
PERSI - Base Plan
Last 10 - Fiscal Years *

	09/30/2024	09/30/2023	09/30/2022	09/30/2021	09/30/2020	09/30/2019	09/30/2018	09/30/2017	09/30/2016	09/30/2015
Statutorily required contribution	$ 11,417	$ 7,558	$ 7,769	$ 7,526	$ 6,768	$ 6,645	$ 6,297	$ 5,550	$ 4,743	$ 3,690
Contributions in relation to the statutorily required contribution	$ (9,731)	$ (8,891)	$ (7,993)	$ (8,596)	$ (7,429)	$ (6,774)	$ (5,986)	$ (5,865)	$ (5,355)	$ (3,624)
Contribution (deficiency) excess	$ 1,686	$ (1,334)	$ (224)	$ (1,070)	$ (661)	$ (129)	$ 311	$ (315)	$ (612)	$ 66
District's covered-employee payroll	$ 80,276	$ 73,277	$ 65,881	$ 70,850	$ 61,169	$ 58,200	$ 55,500	$ 47,157	$ 47,720	$ 40,451
Contributions as a percentage of covered-employee payroll	12.12%	12.13%	12.13%	12.13%	12.14%	11.64%	10.79%	12.44%	11.22%	8.96%

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

Data reported is measured as of June 30, 2024

See independent auditors' report.

HAUSER LAKE FIRE PROTECTION DISTRICT
Statement of Revenue, Expenditures, and Changes in Fund Balances
Budget and Actual - All Governmental Fund Types
Year Ended September 30, 2024

	General Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Property Taxes	$ 255,834	$ 255,834	$ 263,699	$ 7,865
Sales Taxes	9,000	9,000	12,095	3,095
EMS Subsidy	24,684	24,684	22,638	(2,046)
Impact Fees	-	-	19,422	19,422
Grant Income	-	51,582	57,896	6,314
Other Income	4,000	4,000	13,554	9,554
Total Revenues	293,518	345,100	389,304	44,204
Expenditures:				
Administrative & Personnel	106,688	133,823	137,421	(3,598)
Maintenance	113,000	137,447	49,472	87,975
Training	15,500	15,500	5,048	10,452
Communications	-	-	655	(655)
Department Operations	(59,670)	(59,670)	31,895	(91,565)
Capital Outlay	118,000	118,000	76,966	41,034
Debt Service	-	-	-	-
Contingency	-	-	-	-
Total Expenditures	293,518	345,100	301,457	43,643
Excess (Deficiency) of Revenues Over Expenditures	-	-	87,847	87,847
Other Financing Sources (Uses):				
Proceeds from Sale of Assets	-	-	-	-
Total Other Sources (Uses)	-	-	-	-
Net Change in Fund Balance	-	-	87,847	87,847
Fund Balance - October 1	304,621	304,621	304,621	-
Fund Balance - September 30	$ 304,621	$ 304,621	$ 392,468	$ 87,847

See accompanying notes to budget and independent auditors' report.

HAUSER LAKE FIRE PROTECTION DISTRICT
Notes to the Budget and Actual Schedule
Year Ended September 30, 2024

The District's annual budget is a management tool that assists its users in analyzing financial activity for its fiscal year ending September 30.

Because of the District's dependency on state and local budgetary decisions, revenue estimates are based upon the best available information as to potential sources of funding.

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

a. In July, the Fire Chief submits to the Board of Commissioners a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.

b. Prior to October 1, the Board of Commissioners formally approves the budget document following a public hearing.

c. The approved annual budget is used as a control device for the governmental funds.

d. The budget for the governmental funds is adopted on a basis consistent with generally accepted accounting principles (GAAP) applicable to state and local governments.

e. Appropriations for the governmental funds lapse at the end of the fiscal year.

f. Expenditures cannot legally exceed appropriations at the fund level. Expenditures are monitored on a monthly basis by the accountant and Fire Chief. When expenditures are required for functions that have not been budgeted, authorization to incur the expenditures is requested from the Board of Commissioners by resolution during its regular monthly meetings.

g. The Fire Chief is authorized to transfer budgeted amounts between separate line items; however, any revisions that would increase total expenditures would be approved by the Board of Commissioners.

REPORT REQUIRED BY GAO

ALPINE SUMMIT CPAs

1810 E Schneidmiller Ave. Ste. 310
Post Falls, Idaho 83854
208-777-1099

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

Board of Commissioners
Hauser Lake Fire Protection District
Hauser, ID

We have audited, in accordance with the auditing standards generally accepted in the United State 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 Hauser Lake Fire Protection District, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise Hauser Lake Fire Protection District's basic financial statements, and have issued our report thereon dated February 27, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Hauser Lake Fire Protection 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 Hauser Lake Fire Protection District's internal control. Accordingly, we do not express an opinion on the effectiveness of Hauser Lake 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 import enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying schedule of findings and responses that we consider to be a significant deficiency. #2024-1.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Hauser Lake 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 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*.

Hauser Lake Fire Protection District's Response to the Finding

Hauser Lake Fire Protection District's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. Hauser Lake Fire Protection District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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
February 27, 2025

HAUSER LAKE FIRE PROTECTION DISTRICT
Schedule of Findings and Responses
Year Ended September 30, 2024

2024-1

Segregation of Duties

The size of the district's accounting and administrative staff precludes certain internal controls that would be preferred if the office staff were large enough to provide optimum segregation of duties. This situation dictates that the Commissioners remain involved in the financial affairs of the district to provide oversight and independent review functions. An accounting system that provides adequate internal controls would be designed so that no one individual is involved with a transaction from its beginning to its ending.

Criteria

An accounting system that provides adequate internal controls would be designed so that no one individual is involved with a transaction from its beginning to its ending.

Condition

The size of the district's accounting and administrative staff precludes certain internal controls that would be preferred if the office staff were large enough to provide optimum segregation of duties.

Effect

This situation dictates that the Commissioners remain involved in the financial affairs of the organization to provide oversight and independent review functions.

Cause

The District does not have enough staff to adequately segregate all accounting functions.

Recommendations

Our recommendation is to perhaps increase the staff size of the District to allow for adequate segregation of duties or involve a Commissioner in some aspects of the financial reporting process.

Views of Responsible Officials

At this time, staffing does not allow segregation of every financial action to a different person and adding staff for greater segregation of duties is currently beyond the budget. The fire chief is authorized to make purchases at his discretion, but all transactions are reviewed by the three District commissioners and significant expenses are discussed in advance at their regular monthly meetings.