# KUNA RURAL FIRE DISTRICT

Report on Audited
Basic
Financial Statements
And
Supplemental Information

For the Year Ended December 31, 2024

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Independent Auditor's Report

Board of Commissioners
Kuna Rural Fire District
Kuna, Idaho

***Report on the Financial Statements***

***Opinions***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Kuna Rural Fire District (the District), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Kuna Rural Fire District as of December 31, 2024, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Responsibilities of Management for the Financial Statements***

The District's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, 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 District's ability to continue as a going concern for one year after the date that the financial statements are issued.

### *Auditor's Responsibility 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 GAAS and *Governmental 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 GAAS 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 information, schedule of the District's proportionate share of the net pension liability, and schedule of District contributions on pages 31 through 36 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'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 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 *Governmental Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated August 20, 2025 on our consideration of Kuna Rural Fire District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Zwygart John & Associates, CPAs PLLC

Nampa, Idaho
August 20, 2025

**Kuna Rural Fire Dist**
Statement of Net Position
December 31, 2024

| | Governmental Activities |
|---|---|
| **Assets** | |
| Current Assets: | |
| Cash and Cash Equivalents | $ 16,170,787 |
| Impact Fees Receivable | 121,856 |
| Property Taxes | 4,386,483 |
| Interest Recievable | 55,638 |
| Due from Other Governments | 54,166 |
| Prepaid Expenses | 12,293 |
| Net Pension Asset - FRF | 3,079,370 |
| Capital Assets: | |
| Land | 62,225 |
| Construction in Progress | 70,343 |
| Buildings and Improvements, Net | 1,271,024 |
| Equipment, Net | 1,880,74 |
| Total Capital Assets | 3,284,33 |
| Total Assets | 27,164,92 |
| **Deferred Outflows** | |
| Pension Related Items | 594,875 |
| Total Deferred Outflows | 594,875 |
| **Liabilities** | |
| Current Liabilities: | |
| Accounts Payable | 7,892 |
| Salaries and Benefits Payable | 120,643 |
| Accrued Interest | 71,125 |
| Long-term Liabilities: | |
| Due Within One Year: | |
| Compensated Absences - Current Portion | 381,853 |
| Bond Payable | 195,000 |
| Due in More Than One Year: | |
| Bond Payable | 5,712,107 |
| Net Pension Liability - Base | 1,644,329 |
| Total Liabilities | 8,132,949 |
| **Deferred Inflows** | |
| Pension Related Items | 60,136 |
| Deferred Taxes | 4,347,616 |
| Deferred Impact Fees | 4,547,79 |
| Total Deferred Inflows | 8,955,54 |
| **Net Position** | |
| Net Investment in Capital Assets | 3,284,336 |
| Restricted | |
| Capital Projects | 6,395,679 |
| Unrestricted | 991,291 |
| Total Net Position | 10,671,306 |

The accompanying notes are an integral part of the financial statements.

**Kuna Rural Fire Dist**

Statement of Activities

For the Year Ended December 31, 2024

| | Expenses | Program Revenues: Charges for Services and Sales | Program Revenues: Oper ting Grants and Contribu | Program Revenues: Capital Grants and | Net (Expense) Revenue and Changes in Net Assets - Governmental Activities |
|---|---|---|---|---|---|
| **Primary Government:** | | | | | |
| Governmental Activities: | | | | | |
| Public Safety | $ 4,020,110 | $ 600,260 | $ - | $ - | $ (3,419,850) |
| Interest on Long-term Debt | 280,233 | - | - | - | (280,233) |
| **Total Governmental Activities** | $ 4,300,343 | $ 600,260 | $ - | $ - | (3,700,083) |
| General Revenues: | | | | | |
| Property Taxes | | | | | 4,221,762 |
| Sales Tax | | | | | 210,444 |
| Impact Fees | | | | | 11,206 |
| Investment Income | | | | | 642,676 |
| Proceeds from the Sale of Capital Assets | | | | | 176,263 |
| Total General Revenues and Special Items | | | | | 5,262,351 |
| Change in Net Assets | | | | | 1,562,268 |
| Net Position, Beginning - As Previously Stated | | | | | 11,705,066 |
| Prior Period Adjustment | | | | | (2,596,028) |
| Net Position, Beginning - Restated | | | | | 9,109,038 |
| Net Position, End of Year | | | | | 10,671,306 |

The accompanying notes are an integral part of the financial statements.

**Kuna Rural Fire Dist**
Balance Sheet
Governmental Funds
December 31, 2024

| | General | Impact Fees Fund | Bond Project Fund | Total Governmental Funds |
|---|---|---|---|---|
| **Assets** | | | | |
| Cash and Cash Equivalents | $ 5,387,831 | $ 4,412,751 | $ 6,370,205 | $ 16,170,787 |
| Receivables, Net: | | | | |
| Property Taxes | 4,386,483 | - | - | 4,386,483 |
| Impact Fees | - | 121,856 | - | 121,856 |
| Interest | 16,974 | 13,190 | 25,474 | 55,638 |
| Intergovernmental | 54,166 | - | - | 54,166 |
| Prepaid Expense | 12,293 | - | - | 12,293 |
| Total Assets | $ 9,857,747 | $ 4,547,797 | $ 6,395,679 | $ 20,801,223 |
| **Liabilities, Deferred Inflows, and Fund Balances** | | | | |
| Liabilities: | | | | |
| Accounts Payable | $ 7,892 | $ - | $ - | $ 7,892 |
| Accrued Payroll and Taxes | 120,643 | - | - | 120,643 |
| Total Liabilities | 128,535 | - | - | 128,535 |
| Deferred Inflows: | | | | |
| Unavailable Revenue - Property Taxes | 4,401,710 | - | - | 4,401,710 |
| Deferree Impact Fees | - | 4,547,797 | - | 4,547,797 |
| Total Deferred Inflows | 4,401,710 | 4,547,797 | - | 8,949,507 |
| Fund Balances: | | | | |
| Nonspendable | 12,293 | - | - | 12,293 |
| Restricted | - | - | 6,395,679 | 6,395,679 |
| Unassigned | 5,315,209 | - | - | 5,315,209 |
| Total Fund Balances | 5,327,502 | - | 6,395,679 | 11,723,181 |
| Total Liabilities, Deferred Inflows, and Fund Balances | $ 9,857,747 | $ 4,547,797 | $ 6,395,679 | $ 20,801,223 |

The accompanying notes are an integral part of the financial statements.

**Kuna Rural Fire Dist**
Reconciliation of the Balance Sheet of the Governmental Fund
to the Statement of Net Position
December 31, 2024

| | | |
|---|---|---|
| Total Fund Balances - Governmental Funds | | $ 11,723,181 |
| Amounts reported for governmental activities in the Statement of Net Position are different because of the following: | | |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds. The cost of assets consist of: | | |
| Land | $ 62,225 | |
| Construction in Progress | 70,343 | |
| Buildings and Improvements, Net of $657,827 Accum. Depr. | 1,271,024 | |
| Equipment, Net of $1,220,924 Accumulated Depreciation | 1,880,744 | |
| | | 3,284,336 |
| Property taxes receivable will be collected this year, but are not available soon enough to pay for current period's expenditures and, therefore, are deferred in the funds. | | 54,094 |
| The issuance of long-term debt provides current financial resources to the governmental funds, while the repayment of the principal consumes the current financial resources. Neither transaction, however, has any effect on net position. | | |
| Current Portion of Bond Payable | | (195,000) |
| Long-Term Portion of Bond Payable | | (5,712,107) |
| Under the modified accrual basis of accounting used in governmental funds interest on long-term debt is not recognized until due. In the Statement of Net Position, however, which is presented on the accrual basis, interest is reported as it accrues. | | (71,125) |
| Long-term liabilities, applicable to the District's governmental activities, are not due and payable in the current period and, accordingly, are not reported as fund liabilities. Compensated absences are not accrued in governmental funds, but rather are recognized as expenditures when due. All liabilities - both current and long-term - are reported in the Statement of Net Position. | | (381,853) |
| The District participates in the Public Employer Retirement System of Idaho, which is a cost-sharing plan. As a participant they are required to report their share of the Net Pension Asset and the related deferred inflows and outflows on their Statement of Net Position. | | |
| Net Pension Asset - Fire Plan | $ 3,079,370 | |
| Net Pension Asset - Base Plan | (1,644,329) | |
| Pension Related Deferred Outflows | (60,136) | |
| | | 1,969,780 |
| Total Net Position-Governmental Activities | | $ 10,671,306 |

The accompanying notes are an integral
part of the financial statements.

**Kuna Rural Fire Dist**
Statement of Revenues, Expenditures, and
Changes in Fund Balances -
Governmental Funds
For the Year Ended December 31, 2024

| | General | Impact Fees Fund | Bond Project Fund | Total Governmental Funds |
|---|---|---|---|---|
| **Revenues** | | | | |
| Property Taxes | $ 4,216,550 | $ - | $ - | $ 4,216,550 |
| Sales Taxes | 210,444 | - | - | 210,444 |
| Charges for Services | 600,260 | - | - | 600,260 |
| Impact Fees | - | 11,206 | - | 11,206 |
| Investment Income | 196,347 | 123,733 | 322,596 | 642,676 |
| Total Revenues | 5,223,601 | 134,939 | 322,596 | 5,681,136 |
| **Expenditures** | | | | |
| Operating Expenditures: | | | | |
| Personnel Expenses | 3,107,888 | - | - | 3,107,888 |
| Supplies & Materials | 20,315 | - | - | 20,315 |
| Professional Services | 224,349 | - | - | 224,349 |
| Utilities | 28,498 | - | - | 28,498 |
| Insurance | 19,659 | - | - | 19,659 |
| Fuel | 20,941 | - | - | 20,941 |
| Training | 25,927 | - | - | 25,927 |
| Other Operating Expenditures | 84,274 | - | - | 84,274 |
| Other Expenditures: | | | | |
| Equipment Capital Outlay | 322,159 | - | - | 322,159 |
| Vehicle Capital Outlay | 26,266 | - | - | 26,266 |
| Building Capital Outlay | 70,979 | - | 892 | 71,871 |
| Debt Service | 455,738 | - | - | 455,738 |
| Total Expenditures | 4,406,993 | - | 892 | 4,407,885 |
| **Excess (Deficiency) of Revenues Over Expenditures** | 816,608 | 134,939 | 321,704 | 1,273,251 |
| **Other Financing Source (Uses)** | | | | |
| Proceeds from Sales of Capital Assets | 176,263 | - | - | 176,263 |
| Transfers In | 134,939 | - | - | 134,939 |
| Transfers Out | - | (134,939) | - | (134,939) |
| Total Other Financing Sources (Uses) | 311,202 | (134,939) | - | 176,263 |
| Net Change in Fund Balances | 1,127,810 | - | 321,704 | 1,449,514 |
| Fund Balances - Beginning - As Previously Stated | 4,199,692 | 2,473,154 | 6,073,975 | 12,746,821 |
| Prior Period Adjustment | - | (2,473,154) | - | (2,473,154) |
| Fund Balances - Beginning | 4,199,692 | - | 6,073,975 | 10,273,667 |
| Fund Balances - Ending | $ 5,327,502 | $ - | $ 6,395,679 | $ 11,723,181 |

The accompanying notes are an integral part of the financial statements.

**Kuna Rural Fire Dist**

Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of the
Governmental Fund to the Statement of Activities
For the Years Ended December 31, 2024

| | | |
|---|---|---|
| Total Net Change in Fund Balance - Governmental Funds | | $ 1,449,514 |
| Amounts reported for governmental activities in the Statement of Activities are different because of the following: | | |
| Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their useful lives as depreciation expense. In the current period these amounts are: | | |
| Capital Outlay | $ 321,255 | |
| Depreciation Expense | (226,459) | |
| | | 94,796 |
| Because some property taxes will not be collected for several months after the District's fiscal year ends, they are not considered as "available" revenues in the governmental funds and are, instead, counted as deferred tax revenues. They are, however, recorded as revenues in the Statement of Activities. | | 5,212 |
| Repayment of principal consumes the current financial recourses of the governmental funds. This transaction, however, has no effect on net position, but reduces long-term liabilities in the Statements of Net Position. Also interest on long-term debt is not recognized until due in the governmental funds. However, on the Statement of Activities interest is recognized as it accrues. | | |
| Accrued Interest | | 175,505 |
| Some expenses reported in the Statement of Activities do not require the use of current financial resources and are not reported as expenditures in governmental funds. | | |
| Change in Compensated Absences | | 319,878 |
| The District participates in the Public Employer Retirement System of Idaho, which is a cost-sharing plan. As a participant they are required to report their share of the Net Pension Liability and the related deferred inflows and outflows on their Statement of Net Position. The changes in the Net Pension Liability and the related deferred inflows and outflows does not affect the governmental funds, but are reported in the Statement of Activities. | | (482,637) |
| Change in Net Position of Governmental Activities | | $ 1,562,268 |

The accompanying notes are an integral
part of the financial statements.

**Kuna Rural Fire Dist**

Statement of Fiduciary Net Position

December 31, 2024

| | Custodial Fund |
|---|---|
| Assets | |
| Cash | $ 448 |
| Total Assets | 448 |
| | |
| Net Position | |
| Restricted for Kuna Emergency Service Association | 448 |
| Total Net Position | $ 448 |

The accompanying notes are an integral part of the financial statements.

**Kuna Rural Fire Dist**

Statement of Changes in Fiduciary Net Position

December 31, 2024

| | Custodial Fund |
|---|---|
| Deductions | |
| Miscellaneous Expense | $ 8,959 |
| Total Deductions | 8,959 |
| Change in Net Position | (8,959) |
| Net Position - Beginning | 9,407 |
| Net Position - Ending | $ 448 |

The accompanying notes are an integral part of the financial statements.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### A. Reporting Entity

The accompanying financial statements present the activities of Kuna Rural Fire District (the District), which provides fire protection and EMS services within the District. The District receives funding from local, state, and federal government sources and must comply with all of the requirements of these funding source entities. However, the District is not included in any other governmental reporting entity as defined by generally accepted accounting principles. Board members are elected by the public and have decision-making authority, the power to designate management, the ability to significantly influence operations, and the primary accountability for fiscal matters. In addition, the District's reporting entity does not contain any component units as defined in Governmental Accounting Standards.

### B. Basis of Presentation, Basis of Accounting

Basis of Presentation

*Government-wide Statements:* The Statement of Net Position and the Statement of Activities display information about the financial activities of the District. Eliminations have been made to minimize the double counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities.

- Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function.
- Indirect expenses are expenses of the general government related to the administration and support of the District's programs, such as personnel and accounting (but not interest on long-term debt), and are allocated to programs based on their percentage of total primary government expenses. Interest expenses are allocated to the programs that manage the capital assets financed with long-term debt.
- Program revenues include (a) 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 and state formula aid, are presented as general revenues.

*Fund Financial Statements:* The fund financial statements provide information about the District's funds. The emphasis of fund financial statements is on major governmental funds.

The District reports the following major governmental funds:

- *General fund.* This is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.
- *Impact Fees fund.* This fund accounts for all financial resources of the District arising from the imposition of impact fees.
- *Bond Project fund.* This fund is to account for the proceeds from a bond and the construction costs associated with the capital project.

The District reports the following fiduciary fund types:

- *Custodial Funds.* These funds are held by the District on behalf of others as their agent. The custodial fund included in this report is the Community fund.

Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. 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 receives value without directly giving equal value in return, include property taxes, grants, 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 and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues (except property taxes from the current year levy) reported in the governmental funds to be available if they are collected within thirty days after year-end. 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 liabilities and acquisitions under capital leases are reported as other financing sources.

Fund Balance Reporting in Governmental Funds

Different measurement focuses and bases of accounting are used in the government-wide Statement of Net Position and in the governmental fund Balance Sheet. The District uses the following fund balance categories in the governmental fund Balance Sheet:

- *Nonspendable.* Balances, for example, in permanent funds, prepaid expenses, and inventories that are permanently precluded from conversion to cash.
- *Restricted.* Balances constrained to a specific purpose by enabling legislation, external parties, or constitutional provisions.
- *Unassigned.* Balances available for any purpose.

The remaining fund balance classifications (committed and assigned) are either not applicable or no formal policy has yet been established to be able to utilize such classifications of fund balance. However, if there had been committed funds, these amounts would have been decided by the Board of Commissioners, the District's highest level of decision-making authority, through a formal action. The Board of Commissioners would also have the authority to assign funds or authorize another official to do so.

Under the terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position or fund balance available to finance the program. When both restricted and unrestricted resources are available for use, it is the government's intent to use restricted resources first, then unrestricted resources as they are needed.

There is also no formal policy regarding the use of committed, assigned, or unassigned fund balances. However, it is the District's intent that when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used, the District considers committed amounts to be reduced first, followed by assigned amounts, and then unassigned amounts.

C. Assets and Liabilities

Cash Equivalents

The District requires all cash belonging to the District to be invested or placed into a bank account. All cash on hand, demand deposits, and short-term investments with an original maturity of three months or less are considered cash and cash equivalents. See Note 2.

Property Tax Calendar

The District's property taxes are levied on or before the second Monday in September and billed to taxpayers in November. The taxes are due in two installments. One half of the real and personal property taxes are due on December 20. The remainder is due the following June 20. Real property taxes not paid constitute a lien on the property when entered on the real property assessment role as delinquent on the first day of January of the succeeding year.

Capital Assets

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed assets are reported at estimated fair value at the time received.

Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the government-wide statements are shown below:

| | Capitalization Policy | Depreciation Method | Estimated Useful Life |
|---|---|---|---|
| Buildings and Improvements | $5,000 | Straight-Line | 15 – 40 Years |
| Equipment and Vehicles | $5,000 | Straight-Line | 5 – 20 Years |

The District has no infrastructure to report.

Depreciation is used to allocate the actual or estimated historical cost of all capital assets over their estimated useful lives.

Accounts Payable

Accounts payable represent debts that will be paid in the next billing cycle. Accounts payable are not over 60 days past due.

Receivables

All trade and property tax receivables are shown net of an allowance for uncollectable.

New Accounting Principle

The District adopted GASB 101, Compensated Absences, during the fiscal year. This has caused a restatement of prior year net position due to compensated absences that were not previously recognized. See footnote 5.

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.

Use of Estimates

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

## 2. CASH AND INVESTMENTS

Deposits

As of December 31, 2024, the carrying amount of the District's deposits was $2,257,781 and the respective bank balances totaled $2,428,988. The bank balances were insured or collateralized with pooled securities held by the pledging institutions in the name of the District.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned. As of December 31, 2024, all the District's deposits were covered by the federal depository insurance, and thus were not exposed to custodial credit risk. The District does not have a formal policy limiting its exposure to custodial credit risk for deposits.

Custodial Credit Risk – Investments

Credit risk is the risk that an issuer or other counter party to an investment will not fulfill its obligations. The District does not have a formal policy limiting its custodial credit risk for investments.

Interest Rate Risk

The District does not have a formal policy limiting investment maturities that would help manage its exposure to fair value losses from increasing interest rates.

Investments

The District voluntarily participates in the State of Idaho Investment Pool, which has not been rated. The Pool is not registered with the Securities and Exchange Commission or any other regulatory body. The State Treasurer oversees the Pool and Idaho Code defines allowable investments. The fair value of the District's investments in the Pool is the same as the value of the Pool shares.

It is the District's policy to limit investments to the safest types of securities and to diversify the District's investment portfolio so that potential losses on securities will be minimized. The District follows Idaho Statute that outlines qualifying investment options as follows:

> Idaho Code authorizes the District to invest any available funds in obligations issued or guaranteed by the United States Treasury, the State of Idaho, local Idaho municipalities and taxing districts, the Farm Credit System, or Idaho public corporations, as well as time deposit accounts and repurchase agreements.

The District's investments at December 31, 2024, are summarized below:

| | | Investment Maturities (in Years) | |
|---|---|---|---|
| Investment | Fair Value | Less Than 1 | 1 - 5 |
| External Investment Pool | $13,913,454 | $ 13,913,454 | $ - |

At year-end, the deposits and investments were reported in the basic financial statements in the following categories:

| | Governmental Activities | Fiduciary Funds | Total |
|---|---|---|---|
| Cash and cash equivalents | $ 2,257,333 | $ 448 | $ 2,257,781 |
| Investments categorized as deposits | 13,913,454 | - | 13,913,454 |
| | $ 16,170,787 | $ 448 | $16,171,235 |

## 3. RISK MANAGEMENT

The District is exposed to a considerable number of risks of loss including, but not limited to, a) damage to and loss of property and contents, b) employee torts, c) professional liabilities, i.e., errors and omissions, d) environmental damage, and e) worker's compensation, i.e., employee injuries. Commercial insurance policies are purchased to transfer the risk of loss for property and content damage, employee torts, and professional liabilities.

## 4. PENSION PLAN

*Plan Description*

The 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) 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.

The District contributes to the Firefighter Retirement Fund (FRF) which is a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employee Retirement System of Idaho (PERSI) that covers a closed group of firefighters who were hired before October 1, 1980, and who received benefits in addition to those provided under the PERSI Base Plan. The cost to administer the plan is financed through the contributions and investment earning of the FRF. Additional FRF funding is obtained from receipts from a state fire insurance premium tax. PERSI issues a publicly available financial report that includes financial statements and the requested supplementary information for PERSI. That report may be obtained on PERSI website at www.persi.idaho.gov.

Responsibility for administration of the Base Plan and FRF is assigned to the PERSI 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 credit services 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.

The FRF provides retirement, disability, death, and survivor benefits of eligible members of beneficiaries. Benefits are based on members' years of service as well as the final average salary. A firefighter must have five years of service to be eligible for a lifetime retirement allowance at age 60. Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. The annual service retirement allowance is based on Idaho Code Title 72 Chapter 14.

The benefit payments for the FRF are calculated using a benefit formula adopted by the Idaho Legislature. The FRF cost of living increase is based on the increase in the statewide average firefighter's wage.

*Member and Employer Contributions*

Member and employer contributions paid to the Base Plan and FRF 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 accumulated sufficient assets to pay benefits when due. For Governmental Activities, the General Fund generally liquidates employer contributions and pension obligations.

The contribution rates for employees are set by statute at 60% of the employer rate for general employees and 74% for public safety. As of June 30, 2024, it was 6.71% for general employees and 9.83% for public safety. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.18% for general employees and 13.26% for police and firefighters. The District's contributions were $283,129 for the year ended December 31, 2024.

As of December 31, 2024, the total employer rate was 12.28%. The FRF member rate for the year for class B is 9.13%. The District's contributions were $0 for the year ended December 31, 2024.

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

*PERSI Base Plan*

At December 31, 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 July 1, 2024, the District's proportion was 0.043958% percent.

For the year ended December 31, 2024, Kuna Rural Fire District recognized pension expense of $724,493 . At December 31, 2024, Kuna Rural Fire 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 | $ 261,792 | $ - |
| Changes in assumptions or other inputs | 65,140 | - |
| Net difference between projected and actual earnings on pension plan investments | - | 29,847 |
| Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions | 18,949 | 30,289 |
| Kuna Rural Fire District's contributions subsequent to the measurement date | 150,008 | - |
| Total | $ 495,889 | $ 60,136 |

$150,008 reported as deferred outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2024

The average of the expected remaining service lives of all employees that are provided with pensions through the System (active and inactive employees) determined at July 1, 2024 the beginning of the measurement period ended June 30, 2023, is 4.6 years and 4.6 for the measurement period June 30, 2024.

*Fireman's Retirement Fund*

At December 31, 2024, Kuna Rural Fire District reported an asset for its proportionate share of the net pension asset for the FRF. The net pension asset was measured as of June 30, 2024, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of that date. Kuna Rural Fire District's proportion of the net pension asset was based on Kuna Rural Fire District's share of contributions in the FRF pension plan relative to the total contributions of all participating FRF employers. At June 30, 2024, Kuna Rural Fire District's proportion was 1.22345% percent.

For the year ended December 31, 2024, Kuna Rural Fire District recognized pension expense/(revenue) of ($175,782). At December 31, 2024, Kuna Rural Fire 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 | $ - | $ - |
| Changes in assumptions or other inputs | - | - |
| Net difference between projected and actual earnings on pension plan investments | 98,986 | - |
| Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions | - | - |
| Kuna Rural Fire District's contributions subsequent to the measurement date | - | - |
| Total | $ 98,986 | $ - |

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, 2023 the beginning of the measurement period ended June 30, 2024, is 1.0 year and 1.0 year for the measurement period June 30, 2023.

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:

| For the Year Ended December 31, | Base Plan | FRF |
|---|---|---|
| 2025 | $ 231,183 | $ (35,922) |
| 2026 | 295,231 | 165,755 |
| 2027 | (52,871) | (30,157) |
| 2028 | (37,790) | (690) |

*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 unfunded actuarial accrued liability for FRF is the difference between the actuarial present value of the FRF benefits not provided by the Base Plan and the FRF assets. Currently FRF assets exceed the actuarial present value; therefore, there is not an unfunded liability to amortize currently. The maximum amortization period for the FRF permitted under Section 59-1394, Idaho Code, is 50 years.

The total pension liability of the Base Plan and total pension asset of the FRF in the July 1, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | Base Plan | FRF |
|---|---|---|
| Inflation | 2.30% | 2.30% |
| Salary Increases | 3.05% | 3.05% |
| Salary Inflation | 3.05% | 3.05% |
| Investment Rate of Return* | 6.35% | 6.35% |
| Cost-of-Living Adjustments | 1.00% | 3.05% |

*Net of Pension Plan Investment Expenses

**Contributing Members, Service Retirement Members, and Beneficiaries**
General Employees and All Beneficiaries – Male Pub-2010 General Tables, increased 11%.
General Employees and All Beneficiaries – Female 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 Safety Tables, increased 38%.
Disabled Members – Females Pub-2010 Safety Tables, increased 36%.

An experience study was performed for the period July 1, 2015 through June 30, 2020 which reviewed all economic and demographic assumptions other than mortality. The Total Pension Liability (Base Plan) and Asset (FRF) 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, PERSI relies primarily on an approach which builds upon the latest capital market assumptions. Specifically, PERSI uses consultants, investment managers and trustees to develop capital market assumptions in analyzing the PERSI's asset allocation. The assumptions and the PERSI's formal policy for asset allocation are shown below. The formal asset allocation policy is somewhat more conservative than the current allocation of PERSI'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.

| **Asset Class** | |
|---|---|
| Fixed Income | 30.00% |
| US/Global Equity | 55.00% |
| International Equity | 15.00% |
| Cash | 0.00% |
| Total | 100.00% |

*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 Employer's proportionate share of the net pension liability to changes in the discount rate.*

The following presents the Employer's proportionate share of the net pension liability calculated using the discount rate of 6.35 percent, as well as what the Employer'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 percent) or 1-percentage-point higher (7.35 percent) than the current rate:

| Employer's proportionate share of the net pension | 1% Decrease (5.35%) | Current Discount Rate (6.35%) | 1% Increase (7.35%) |
|---|---|---|---|
| Base Plan | $ 3,124,737 | $ 1,644,329 | $ 435,213 |
| FRF | $ (2,841,629) | $ (3,079,370) | $ (3,287,309) |

*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.

5. COMPENSATED ABSENCES

Changes in compensated absences for the year ended December 31, 2024, are as follows:

Governmental Activities:

| | Beginning | Earned | Used | Ending | Current |
|---|---|---|---|---|---|
| Sick | $ 122,874 | $ 97,278 | $ 73,410 | $146,742 | $146,742 |
| Vacation | 403,075 | 188,275 | 356,238 | 235,112 | 235,112 |
| | $ 525,949 | $285,553 | $ 429,649 | $381,853 | $381,853 |

6. RECEIVABLE – INTERGOVERNMENTAL

Amounts due from other governments consist of $54,166 due from the State of Idaho for sales tax.

7. CAPITAL ASSETS

Capital asset activity for the fiscal year ended December 31, 2024, was as follows:

| | Balance 12/31/2023 | Additions | Deletions | Balance 12/31/2024 |
|---|---|---|---|---|
| Governmental Activities: | | | | |
| Capital Assets Not Being Depreciated: | | | | |
| Land | $ 62,225 | $ - | $ - | $ 62,225 |
| Construction in Progress | 1,797,400 | 70,343 | (1,797,400) | 70,343 |
| Total Non-Depreciable Assets | 1,859,625 | 70,343 | (1,797,400) | 132,568 |
| Capital Assets Being Depreciated: | | | | |
| Buildings and Improvements | 935,983 | 992,868 | - | 1,928,851 |
| Equipment | 2,143,974 | 1,055,444 | (97,750) | 3,101,668 |
| Total Depreciable Assets | 3,079,957 | 2,048,312 | (97,750) | 5,030,519 |
| Less: Accumulated Depreciation | | | | |
| Buildings and Improvements | 629,175 | 28,652 | - | 657,827 |
| Equipment | 1,120,867 | 197,807 | (97,750) | 1,220,924 |
| Total Acc. Depr. | 1,750,042 | 226,459 | (97,750) | 1,878,751 |
| Net Depreciable Assets | 1,329,915 | 1,821,853 | - | 3,151,768 |
| Governmental Activities Capital Assets - Net | $3,189,540 | $1,892,196 | $ (1,797,400) | $3,284,336 |

Depreciation expense was charged to the functions of the District as follows:

| | |
|---|---|
| Governmental Activities: | |
| Public Safety | $ 226,459 |

## 8. LONG-TERM LIABILITIES

In October 2023, the District issued bonds total $5,885,000 to finance the construction of a new fire station. Principal is due beginning September 1, 2024. Interest payments are due beginning March 1, 2024.

| | Maturity | Interest Rate | Beginning | Increase | Decrease | Ending | Current |
|---|---|---|---|---|---|---|---|
| Series 2023 | 2043 | 5.00% | $5,885,000 | $ - | $(195,000) | $5,690,000 | $195,000 |
| Unamortized Bond Premium | | | 228,686 | - | (11,579) | 217,107 | - |
| | | | $6,113,686 | $ - | $(206,579) | $5,907,107 | $195,000 |

Future bond payments are as follows:

| Year Ending | Notes Payable | | |
|---|---|---|---|
| December 31, | Principal | Interest | Total |
| 2025 | $ 195,000 | $ 293,767 | $ 488,767 |
| 2026 | 205,000 | 284,392 | 489,392 |
| 2027 | 215,000 | 274,517 | 489,517 |
| 2028 | 225,000 | 264,142 | 489,142 |
| 2029 | 240,000 | 253,267 | 493,267 |
| 2030 - 2034 | 1,380,000 | 1,082,458 | 2,462,458 |
| 2035 - 2039 | 1,765,000 | 714,395 | 2,479,395 |
| 2040 - 2043 | 1,682,107 | 236,296 | 1,918,403 |
| | $ 5,907,107 | $ 3,403,232 | $ 9,310,339 |

## 9. OTHER COMMITMENTS

The District has credit cards available for use. The limits total to $31,000. As of December 31, 2024, $5,643 of the available credit was in use.

## 10. TRANSFERS

Transfers between funds were as follows:

| | |
|---|---|
| $134,939 | Transfer from Impact Fee Fund to General Fund |
| $134,939 | |

## 11. RESTATEMENT

The District adopted GASB 101, Compensated Absences, during the fiscal year. This has caused a prior period adjustment of prior year Net Position due to Compensated Absences that were not previously recognized.

In prior years, the deferred revenue was understated by $2,473,154. This caused the net position to be overstated by the same.

Fund Balance and Net Position was restated in the current period as follows:

| | Governmental Activities |
|---|---|
| Net Position, Beginning - As Previously Stated | $ 11,705,066 |
| Decrease in Net Position due to adoption of GASB 101 | (122,874) |
| Decrease due to Deferred Inflows | (2,473,154) |
| Net Position, Beginning - Restated | $ 9,109,038 |

| | Governmental Funds |
|---|---|
| Fund Balance, Beginning - As Previously Stated | $ 12,746,821 |
| Decrease due to Deferred Inflows | (2,473,154) |
| Fund Balance, Beginning - Restated | $ 10,273,667 |

***REQUIRED SUPPLEMENTARY INFORMATION***

**Kuna Rural Fire Dist**
Budgetary Comparison Schedule (GAAP Basis)
General Fund
For the Years Ended December 31, 2024

| | Budgeted Amounts | | | |
|---|---|---|---|---|
| | Original | Final | Actual | Variance |
| **Revenues** | | | | |
| Property Taxes | $ - | $ - | $ 4,216,550 | $ 4,216,550 |
| Sales Tax | 100,000 | 175,000 | 210,444 | 35,444 |
| Charges for Services | 943,720 | 1,319,577 | 600,260 | (719,317) |
| Impact Fees | 500,000 | 675,000 | - | (675,000) |
| Other Operating Revenue | 4,119,683 | 4,119,683 | - | (4,119,683) |
| Investment Income | 25,000 | 150,000 | 196,347 | 46,347 |
| Total Revenues | 5,688,403 | 6,439,260 | 5,223,601 | (1,215,659) |
| **Expenditures** | | | | |
| Current: | | | | |
| Public Safety: | | | | |
| Personnel Expenses | 3,010,524 | 3,195,721 | 3,107,888 | 87,833 |
| Supplies & Materials | 10,000 | 10,000 | 20,315 | (10,315) |
| Professional Services | 222,263 | 275,563 | 224,349 | 51,214 |
| Utilities | 35,000 | 40,000 | 28,498 | 11,502 |
| Insurance | 24,000 | 24,000 | 19,659 | 4,341 |
| Fuel | - | - | 20,941 | (20,941) |
| Training | 45,000 | 40,000 | 25,927 | 14,073 |
| Other Operating Expenditures | 132,700 | 122,200 | 84,274 | 37,926 |
| Debt Service | - | - | 455,738 | (455,738) |
| Capital Outlay | 696,953 | 832,953 | 419,404 | 413,549 |
| Total Expenditures | 4,176,440 | 4,540,437 | 4,406,993 | 133,444 |
| **Excess (Deficiency) of Revenues Over Expenditures** | 1,511,963 | 1,898,823 | 816,608 | (1,082,215) |
| **Other Financing Sources (Uses)** | | | | |
| Sale of Equipment | - | - | 176,263 | 176,263 |
| Transfer In | - | - | 134,939 | 134,939 |
| Transfer Out | - | - | - | - |
| Total Other Financing Sources (Uses) | - | - | 311,202 | 311,202 |
| Net Change in Fund Balances | 1,511,963 | 1,898,823 | 1,127,810 | (771,013) |
| Fund Balances - Beginning | - | - | 4,199,692 | 4,199,692 |
| Fund Balances - Ending | $ 1,511,963 | $ 1,898,823 | $ 5,327,502 | $ 3,428,679 |

**Kuna Rural Fire Dist**
Budgetary Comparison Schedule (GAAP Basis)
Impact Fees Fund
For the Years Ended December 31, 2024

| | Budgeted Amounts | | | |
|---|---|---|---|---|
| | Original | Final | Actual | Variance |
| **Revenues** | | | | |
| Impact Fees | $ - | $ - | $ 11,206 | $ 11,206 |
| Interest Earned | - | - | 123,733 | 123,733 |
| Total Revenues | - | - | 134,939 | 134,939 |
| **Expenditures** | | | | |
| Total Expenditures | - | - | - | - |
| **Excess (Deficiency) of Revenues Over Expenditures** | - | - | 134,939 | 134,939 |
| **Other Financing Sources (Uses)** | | | | |
| Transfer Out | - | - | (134,939) | (134,939) |
| Total Other Financing Sources (Uses) | - | - | (134,939) | (134,939) |
| Net Change in Fund Balances | - | - | - | - |
| Fund Balances - Beginning (Previously Stated) | - | - | 2,484,971 | 2,484,971 |
| Prior Period Adjustment | - | - | (2,484,971) | (2,484,971) |
| Fund Balances - Beginning | - | - | - | - |
| Fund Balances - Ending | $ - | $ - | $ - | $ - |

**Kuna Rural Fire Dist**
Budgetary Comparison Schedule (GAAP Basis)
Bond Project Fund
For the Years Ended December 31, 2024

| | Budgeted Amounts | | | |
|---|---|---|---|---|
| | Original | Final | Actual | Variance |
| **Revenues** | | | | |
| Interest Earned | $ - | $ - | $ 322,596 | $ 322,596 |
| Total Revenues | - | - | 322,596 | 322,596 |
| **Expenditures** | | | | |
| Capital Outlay | - | - | 892 | (892) |
| Total Expenditures | - | - | 892 | (892) |
| Net Change in Fund Balances | - | - | 321,704 | 321,704 |
| Fund Balances - Beginning | - | - | 6,073,975 | 6,073,975 |
| Fund Balances - Ending | $ - | $ - | $ 6,395,679 | $ 6,395,679 |

1. BUDGETS AND BUDGETARY ACCOUNTING

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

1. Prior to September 1, the Board of Commissioners prepares a proposed operating budget for the fiscal year commencing January 1. The operating budget includes proposed expenditures and the means of financing them.

2. Public hearings are conducted to obtain taxpayer comments.

3. Prior to January 1, the budget is legally passed.

4. The Board of Commissioners, by following the same budgetary procedures used to adopt the original budget, may amend it to a greater amount, if additional revenue will accrue to the District as a result of increases in state or federal grants or allocations, or as a result of an increase in revenues from any source other than ad valorem tax revenues.

5. Formal budgetary integration is employed as a management control device during the year for the General fund.

6. The budget for the General fund is adopted on a basis consistent with generally accepted accounting principles.

7. Budgeted amounts were not amended from the amounts originally adopted during the fiscal year ended December 31, 2024.

8. Expenditures may not legally exceed budgeted appropriations at the fund level. The District does not use the encumbrance method of accounting.

2. EXPENDITURES IN EXCESS OF APPROPRIATES

The Bond Project Fund has expenditures in excess of appropriations in the amount of $892.

**Kuna Rural Fire Dist**
Schedule of Required Supplemental Information
Public Employees Retirement System of Idaho
Last 10 - Fiscal Years

**Schedule of the District's Proportionate Share of Net Pension Liability - Base Plan**

| Year | District's Proportion of the Net Pension Liability | District's Proportionate Share of the Net Pension Liability | District's Covered Employee Payroll | District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll | Plan Fiduciary Net Position as a Percentage of the Total Pension Liability |
|---|---|---|---|---|---|
| 2024 | 0.0439584% | $ 1,644,329 | $ 2,067,532 | 79.53% | 85.54% |
| 2023 | 0.0335427% | 1,338,578 | 1,743,526 | 76.77% | 83.83% |
| 2022 | 0.0340257% | 1,340,190 | 1,431,592 | 93.62% | 83.09% |
| 2021 | 0.0397969% | (31,431) | 1,393,957 | -2.25% | 100.36% |
| 2020 | 0.0321952% | 747,615 | 1,334,468 | 56.02% | 88.22% |
| 2019 | 0.0313393% | 357,729 | 1,017,496 | 35.16% | 93.79% |
| 2018 | 0.0032429% | 476,338 | 1,030,364 | 46.23% | 91.69% |
| 2017 | 0.0293980% | 462,086 | 970,429 | 47.62% | 90.68% |
| 2016 | 0.0274623% | 556,703 | 854,473 | 65.15% | 87.26% |
| 2015 | 0.0261885% | 344,860 | 785,460 | 43.91% | 91.38% |

**Schedule of the District's Proportionate Share of Net Pension Liability - FRF**

| Year | District's Proportion of the Net Pension Liability | District's Proportionate Share of the Net Pension Liability | District's Covered Employee Payroll | District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll | Plan Fiduciary Net Position as a Percentage of the Total Pension Liability |
|---|---|---|---|---|---|
| 2024 | 1.2234478% | $ (3,079,370) | $ 1,316,632 | -233.88% | 207.66% |
| 2023 | 1.2234478% | (2,892,264) | 1,316,632 | -219.67% | 200.58% |
| 2022 | 1.2234478% | (2,511,628) | 1,316,632 | -190.76% | 184.72% |
| 2021 | 1.2234478% | (3,306,084) | 1,248,102 | -264.89% | 100.36% |
| 2020 | 1.2234478% | (1,821,704) | 1,192,305 | -152.79% | -155.55% |
| 2019 | 1.2003570% | (1,725,557) | 910,894 | -189.44% | -140.15% |
| 2018 | 1.2397589% | (1,403,037) | 932,383 | -150.48% | -140.15% |
| 2017 | 1.1088506% | (951,345) | 885,801 | -107.40% | -129.65% |
| 2016 | 1.0140491% | (612,996) | 783,103 | -78.28% | -118.42% |
| 2015 | 1.0128878% | (547,068) | 712,543 | -76.78% | -118.08% |

Data reported is measured as of December 31, 2024

**Kuna Rural Fire Dist**
Schedule of Required Supplemental Information
Public Employees Retirement System of Idaho
Last 10 - Fiscal Years

**Schedule of District Contributions - Base Plan**

| Year | Contractually Required Contributions | Contributions in Relation to the Contractually Required Contribution | Contribution Deficiency (Excess) | District's Covered-Employee Payroll | Contributions as a Percentage of Covered-Employee Payroll |
|---|---|---|---|---|---|
| 2024 | $ 283,129 | $ 283,129 | - | $ 2,067,532 | 13.69% |
| 2023 | 221,152 | 221,152 | - | 1,743,526 | 12.68% |
| 2022 | 175,407 | 175,407 | - | 1,431,592 | 12.25% |
| 2021 | 170,682 | 170,682 | - | 1,393,957 | 12.24% |
| 2020 | 164,797 | 164,797 | - | 1,334,468 | 12.35% |
| 2019 | 121,509 | 121,509 | - | 1,017,496 | 11.94% |
| 2018 | 119,811 | 119,811 | - | 1,030,364 | 11.63% |
| 2017 | 112,906 | 112,906 | - | 970,429 | 11.63% |
| 2016 | 99,389 | 99,389 | - | 854,473 | 11.63% |
| 2015 | 91,337 | 91,337 | - | 785,460 | 11.63% |

**Schedule of District Contributions - FRF**

| Year | Contractually Required Contributions | Contributions in Relation to the Contractually Required Contribution | Contribution Deficiency (Excess) | District's Covered-Employee Payroll | Contributions as a Percentage of Covered-Employee Payroll |
|---|---|---|---|---|---|
| 2024 | $ - | $ - | - | $ 1,316,632 | 0.00% |
| 2023 | - | - | - | 1,316,632 | 0.00% |
| 2022 | - | - | - | 1,316,632 | 0.00% |
| 2021 | - | - | - | 1,248,102 | 0.00% |
| 2020 | 26,031 | 26,031 | - | 1,192,305 | 2.18% |
| 2019 | 46,619 | 46,619 | - | 910,894 | 5.12% |
| 2018 | 46,619 | 46,619 | - | 932,383 | 5.00% |
| 2017 | 44,290 | 44,290 | - | 885,801 | 5.00% |
| 2016 | 39,155 | 39,155 | - | 783,103 | 5.00% |
| 2015 | 41,224 | 41,224 | - | 712,543 | 5.79% |

Data reported is measured as of December 31, 2024

***FEDERAL REPORTS***

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## Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Commissioners
Kuna Rural Fire District
Kuna, 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, each major fund, and the aggregate remaining fund information of Kuna Rural Fire District (the District), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated August 20, 2025.

### Internal Control Over Financial Reporting

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

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

Our consideration of internal control 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.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Kuna Rural Fire District's financial statements are free of 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*.

**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.

Zwygart John & Associates, CPAs PLLC

Nampa, Idaho
August 20, 2025