WIPFLI

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Idaho Falls, ID 83402

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December 1, 2025

Commissioners
North Bannock Fire District
Chubbuck, ID

Dear Commissioners:

We have audited the financial statements of the governmental activities of the North Bannock Fire District (the "District") for the year ended September 30, 2024. Professional standards require that we provide you with the following information related to the audit:

Our Responsibility under Auditing Standards Generally Accepted in the United States of America and *Government Auditing Standards*

As stated in our engagement letter dated Thursday, October 24, 2024, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States. Our audit of the financial statements does not relieve you or management of your responsibilities.

As part of our audit, we considered the system of internal control of the District. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the District's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our tests was not to provide an opinion on compliance with such provisions.

Planned Scope and Timing of the Audit

We performed the audit accordingly to the planned scope, timing, and with respect to significant risks identified by us, all of which were previously communicated to your representative, in our meeting about such matters on Friday, November 1, 2024, in addition to our engagement letter dated Thursday, October 24, 2024, accepted by management.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the North Bannock Fire District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year.

We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were
1) Pension liability associated with the PERSI plans
2) Accumulated depreciation
both of which appear only on the government-wide financial statements .

Management's estimate of the pension liability is based on its proportional share of the total liability as determined by PERSI. We evaluated the key factors and assumptions used to develop the pension liability in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of accumulated depreciation is based on the estimated useful lives of the capital assets of the District. We evaluated the key factors and assumptions used to develop accumulated depreciation in determining that it is reasonable in relation to the financial statements taken as a whole.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure(s) affecting the financial statements was:

The disclosure of Pension Plan in Note 5 to the financial statements .

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.
The completion of our audit was delayed due to staff turnover at Wipfli and the District's Secretary/Treasurer time off for maternatity leave.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The attached material misstatements detected as a result of the audit procedures were corrected by management.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated Tuesday, November 25, 2025, a copy of which accompanies this letter.

Management Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

Required Supplementary Information Accompanying Audited Financial Statements

We applied certain limited procedures to budgeted versus actual statements of revenues, expenditures, and changes in fund balance, as well as the schedule of employer's share of net pension liability, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Internal Control Matters

In planning and performing our audit of the financial statements of North Bannock Fire District's as of and for the year ended September 30, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting (internal control) as a basis for designing our audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion 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 reasonable possibility that a material misstatement of the District's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

We did however identify certain deficiencies in internal control related to financial data that are not serious enough to be considered a significant deficiency or material weakness as defined above. These deficiencies and our recommendation for strengthening internal control are as follows:

Cut off items for ceretain receivables, payables, prepaids, accrued payroll and related accounts were not appropriately accounted for and reconciled to the general ledger. This resulted in audit journal entries that needed to be approved. These adjustments will also need to be provided to your external bookkeeper and posted to ensure the internal records match audited financial statements. We recommend that cut off items be recorded and reconciled at least annually to ensure internal accounting records are accurate and reflect all the activities of the District.

This communication is intended solely for the information and use of Commissioners and, if appropriate, management of North Bannock Fire District, and is not intended to be, and should not be used by anyone other than these specified parties.

We appreciate the opportunity to be of service to North Bannock Fire District.

Sincerely,

Wipfli LLP

Wipfli LLP
Enc.

North Bannock Fire District
Year End: September 30, 2024
Adjusting Journal Entries
Date: 10/1/2023 To 9/30/2024

The District needs to record the GF entries and ensure that the internal records match the approved audited financial statements. We would be happy to answer any questions with respect to the approved adjustments.

Number	Date	Account No	Name	Reference	Debit	Credit	Recurrence
1	9/30/2024	1110 GF	Accounts Receivable	SS. 3		1,556.00	
1	9/30/2024	1115 GF	Taxes Receivable	SS. 3	4,269.00		
1	9/30/2024	2015 GF	Deferred Revenue	SS. 3		3,372.00	
1	9/30/2024	2110 GF	Salary Payable	SS. 3		448.00	
1	9/30/2024	2160 GF	State Unemployment	SS. 3	28.00		
1	9/30/2024	2170 GF	Idaho Withholding	SS. 3	16.00		
1	9/30/2024	2190 GF	FICA and Federal Withholding	SS. 3	787.00		
1	9/30/2024	2195 GF	Payroll Liabilities	SS. 3	12,994.00		
1	9/30/2024	3030 GF	Unrestricted Fund Balance	SS. 3		25,163.00	
1	9/30/2024	5070 GF	District Operations:Insurance - Liability, D an	SS. 3		5,401.00	
1	9/30/2024	6010 GF	Payroll Expenses	SS. 3		1,405.00	
1	9/30/2024	3030X GF	split for net assets to balance	SS. 3	19,251.00		
		Rolling entry gf					
2	9/30/2024	1115 GF	Taxes Receivable	PL.1B	692.00		
2	9/30/2024	4700 GF	Sales Tax Apportion	PL.1B		692.00	
		Adjust AR and Revenue for tax					
3	9/30/2024	1150 GF	Prepaid Insurance	F. 1	2,054.00		
3	9/30/2024	5070 GF	District Operations:Insurance - Liability, D an	F. 1		2,054.00	
		adjust Prepaid expenses					
4	9/30/2024	1110 GF	Accounts Receivable	D LEAD	1,537.00		
4	9/30/2024	2050 GF	WEX BANK	D LEAD		1,537.00	
4	9/30/2024	2050 GF	WEX BANK	D LEAD		5,542.00	
4	9/30/2024	5596 GF	Fire Department Operations:Vehicles:Fuel/Gas:E	D LEAD	5,542.00		
		correct Wex account					
5	9/30/2024	2010 GF	Accounts Payable	DD. 2	3,500.00		
5	9/30/2024	2010 GF	Accounts Payable	DD. 2		8,800.00	
5	9/30/2024	5140 GF	District Operations:Professional Services:Accou	DD. 2		3,500.00	
5	9/30/2024	5561 GF	Fire Department Operations:Facilities:Maintenan	DD. 2	8,800.00		
		adjsutment for CY AP					
6	9/30/2024	1110 GF	Accounts Receivable	PL.3F	6,826.00		
6	9/30/2024	4700 GF	Sales Tax Apportion	PL.3F		6,826.00	
		Additonal 2023 remittance received Nov 2024					
7	9/30/2024	2110 GF	Salary Payable	FF. 1		1,197.00	
7	9/30/2024	2160 GF	State Unemployment	FF. 1	18.00		
7	9/30/2024	2170 GF	Idaho Withholding	FF. 1		797.00	
7	9/30/2024	2190 GF	FICA and Federal Withholding	FF. 1		1,670.00	
7	9/30/2024	2195 GF	Payroll Liabilities	FF. 1	11,774.00		
7	9/30/2024	5110 GF	District Operations:Payroll:Payroll Taxes	FF. 1		9,325.00	
7	9/30/2024	5110 GF	District Operations:Payroll:Payroll Taxes	FF. 1	19,375.00		
7	9/30/2024	5115 GF	District Operations:Payroll:State Unemployment	FF. 1	925.00		
7	9/30/2024	5130 GF	District Operations:Payroll:Workers Comp	FF. 1		1,914.00	
7	9/30/2024	5613 GF	District Operations:Payroll:Retirement	FF. 1		6,199.00	
7	9/30/2024	6010 GF	Payroll Expenses	FF. 1	1,197.00		
7	9/30/2024	6010 GF	Payroll Expenses	FF. 1		12,187.00	

Number	Date	Account No	Name	Reference	Debit	Credit	Recurrence
		To record adjustment for accrued wages and related taxes					
8	9/30/2024	1110 GF	Accounts Receivable	PL.3B		936.00	
8	9/30/2024	1115 GF	Taxes Receivable	PL.3B	891.00		
8	9/30/2024	1115 GF	Taxes Receivable	PL.3B	4,269.00		
8	9/30/2024	2015 GF	Deferred Revenue	PL.3B		5,507.00	
8	9/30/2024	4400 GF	Fire Inspection Revenue	PL.3B		519.00	
8	9/30/2024	4600 GF	Property Tax Revenue	PL.3B		3,027.00	
8	9/30/2024	4600 GF	Property Tax Revenue	PL.3B	233.00		
8	9/30/2024	4600 GF	Property Tax Revenue	PL.3B	370.00		
8	9/30/2024	4700 GF	Sales Tax Apportion	PL.3B		692.00	
8	9/30/2024	4700 GF	Sales Tax Apportion	PL.3B	136.00		
8	9/30/2024	4995 GF	Misc Revenue	PL.3B	4,782.00		
8	9/30/2024	X-PROP REV GW	Property Revenue offset	PL.3B		14,452.00	
8	9/30/2024	XXX-DEF REV GW	Offset for Deferred revenue	PL.3B	14,452.00		
		adjust Taxes					
9	9/30/2024	1810 GW	Work in Process - Anderson Ln.Fire House		213,525.00		
9	9/30/2024	6040 GF	Ask My Accountant			213,525.00	
9	9/30/2024	6050 GF	Capital Purchases		213,525.00		
9	9/30/2024	X-CAP ASSET GW	Capital asset purchase offset			213,525.00	
		Adjust GW and reclass capital expenses for CIP items					
10	9/30/2024	1620 GW	Fire Dept Vehicles	P. 1		70,000.00	
10	9/30/2024	1690 GW	Accumulated Depreciation	P. 1	40,833.00		
10	9/30/2024	6040 GF	Ask My Accountant	P. 1	30,391.00		
10	9/30/2024	6050 GF	Capital Purchases	P. 1		30,391.00	
10	9/30/2024	X-CAP ASSET GW	Capital asset purchase offset	P. 1	29,167.00		
		Sale of asset - Reclass from Ask my acct in general fund, offset for gain in GW, removal of FA & A/D					
GW-1	9/30/2024	1116 GW	Lease Receivable		86,510.00		
GW-1	9/30/2024	1610 GW	Fire Dept Equipment			1,001.00	
GW-1	9/30/2024	1620 GW	Fire Dept Vehicles		19,950.00		
GW-1	9/30/2024	1690 GW	Accumulated Depreciation			208,559.00	
GW-1	9/30/2024	1830 GW	X-CAP ASSET GW		273,746.00		
GW-1	9/30/2024	2019 GW	Deferred Inflows of Resources - Lease			86,510.00	
GW-1	9/30/2024	3040 GW	Unrestricted Net Assets			49,008.00	
GW-1	9/30/2024	3040X GW	net assets split account			19,251.00	
GW-1	9/30/2024	X-CAP ASSET GW	Capital asset purchase offset			15,877.00	
		Rolling Entry					
GW-2	9/30/2024	1690 GW	Accumulated Depreciation	P. 1		104,479.00	
GW-2	9/30/2024	7000 GW	Depreciation	P. 1	104,479.00		
		account for depreciation					
GW-3	9/30/2024	1116 GW	Lease Receivable	D. 2		4,168.00	
GW-3	9/30/2024	2019 GW	Deferred Inflows of Resources - Lease	D. 2	4,168.00		
		to record change in lease receivable					Recurring

No need for the District to record the GW entries

Number	Date	Account No	Name	Reference	Debit	Credit	Recurrence
GW-4	9/30/2024	GW-PERSI (L) GW	Pension Liability	68.2024. 3		10,467.00	
GW-4	9/30/2024	GW-PERSI (DO) GW	Deferred outflows - GASB 68	68.2024. 3		5,700.00	
GW-4	9/30/2024	XXX-GASB68 ADJ GW	Adjustment for change in GASB 68	68.2024. 3	16,167.00		
		To record PERSI liability/asset					
					1,157,179.00	**1,157,179.00**	

Net Income (Loss) **124,681.00**