STAR FIRE PROTECTION 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
Star Fire Protection District
Star, Idaho

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund of the Star Fire Protection 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 accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Star Fire Protection District, as of December 31, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (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 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 District's ability to continue as a going concern for one year after the date that the financial statements are issued.

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 GAAS 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 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, the schedule of the District's proportionate share of the net pension liability, and the schedule of District's contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of

inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management'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 *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 6, 2025 on our consideration of the Star Fire Protection District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 Star Fire Protection District's internal control over financial reporting and compliance.

Zwygart John and Associates CPAs, PLLC

Nampa, ID
August 6, 2025

Star Fire Protection District
Statement of Net Position
December 31, 2024

	Governmental Activities
Assets	
Current Assets:	
Cash and Cash Equivalents	$ 7,522,717
Certificates of Deposit	3,087,534
Accounts Receivable, Net	42,901
Property Taxes Receivable, Net	4,336,423
Due From Other Governments	45,188
Inventory	53,619
Prepaid Expense	5,385
Capital Assets:	
Land	546,416
Construction in Progress	1,394,725
Buildings and Improvements, Net	4,279,565
Equipment, Net	837,662
Total Capital Assets	7,058,368
Total Assets	22,152,135
Deferred Outflows	
Pension Related Items	787,688
Total Deferred Outflows	787,688
Liabilities	
Current Liabilities:	
Accounts Payable	409,936
Salaries and Benefits Payable	72,034
Accrued Interest	68,291
Total Current Liabilities	550,261
Long-term Liabilities:	
Due Within One Year:	
Compensated Absences - Current Portion	145,494
Current Portion - Bond Payable	100,000
Due in More Than One Year:	
Compensated Absences - Long Term	145,494
Net Pension Liability	2,091,104
Bond Payable	3,277,406
Total Liabilities	6,309,759
Deferred Inflows	
Pension Related Items	37,957
Unavailable Revenue - Property Taxes	4,373,928
Deferred Revenue - Impact Fees	3,748,394
Total Deferred Inflows	8,160,279
Net Position	
Invested in Capital Assets, Net of Related Debt	4,867,264
Unrestricted (Deficit) Surplus	3,602,521
Total Net Position	$ 8,469,785

The accompanying notes are an integral part of the financial statements

Star Fire Protection District
Statement of Activities
For the Year Ended December 31, 2024

	Expenses	Program Revenues: Charges for Services and Sales	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position - Governmental Activities
Primary Government:					
Governmental Activities:					
Public Safety	$ 4,701,727	$ 74,196	$ -	$ -	$ (4,627,531)
Maintenance Division	250,106	450,311	-	-	200,205
Interest On Long-Term Debt	116,484	-	-	-	(116,484)
Total Governmental Activities	$ 5,068,317	$ 524,507		$ -	(4,543,810)

General Revenues:	
Property Taxes	4,083,026
Impact Fees Revenue	1,593,787
Intergovernmental	185,088
Unrestricted Investment Earnings	253,760
Other	3,953
Total General Revenues and Special Items	6,119,614
Change in Net Assets	1,575,804
Net Position, Beginning of Year, Previous	9,715,453
Prior Period Adjustment	(2,821,472)
Net Position, Beginning of Year	6,893,981
Net Position, End of Year	$ 8,469,785

The accompanying notes are an integral part of the financial statements

Star Fire Protection District
Balance Sheet -
Governmental Funds
December 31, 2024

	General	Impact Fees	Bond	Total Governmental Funds
Assets				
Cash and Cash Equivalents	$ 3,194,114	$ 4,328,603	$ -	$ 7,522,717
Certificates of Deposit	3,087,534	-	-	3,087,534
Receivables, Net:				
Accounts	42,901	-	-	42,901
Property Taxes	4,336,423	-	-	4,336,423
Due From Other Governments	45,188	-	-	45,188
Inventory	53,619	-	-	53,619
Prepaid Expense	5,385	-	-	5,385
Interfund Receivable	580,209	-	-	580,209
Total Assets	$ 11,345,373	$ 4,328,603	$ -	$ 15,673,976
Liabilities				
Accounts Payable	$ 409,936	$ -	$ -	$ 409,936
Accrued Payroll and Taxes	72,034	-	-	72,034
Interfund Payable	-	580,209	-	580,209
Total Liabilities	481,970	580,209	-	1,062,179
Deferred Inflows				
Unearned Revenue - Property Taxes	4,441,600	-	-	4,441,600
Deferred Revenue - Impact Fees	-	3,748,394	-	3,748,394
Total Deferred Inflows	4,441,600	3,748,394	-	8,189,994
Fund Balances				
Nonspendable	59,004	-	-	59,004
Committed for Capital Purchases	3,200,000			3,200,000
Assigned for Operating Reserves	2,500,000			2,500,000
Unassigned	662,799	-	-	662,799
Total Fund Balances	6,421,803	-	-	6,421,803
Total Liabilities, Deferred Inflows, and Fund Balances	$ 11,345,373	$ 4,328,603	$ -	$ 15,673,976

The accompanying notes are an integral part of the financial statements

Star Fire Protection District
Reconciliation of the Balance Sheet of the
Governmental Funds to the Statement of Net Position
December 31, 2024

Total Fund Balances - Governmental Funds		$ 6,421,803
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	$ 546,416	
Construction in Progress	1,394,725	
Buildings and Improvements, Net of $843,693 Accumulated Depreciation	4,279,565	
Equipment, Net of $2,240,277 Accumulated Depreciation	837,662	
		7,058,368
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.		67,672
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.		
Compensated Absences	$ (290,988)	
Interest Payable	(68,291)	
Bond Payable	(3,377,406)	
		(3,736,685)
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.		
Net Pension Liability	$ (2,091,104)	
Pension Related Deferred Inflows	(37,957)	
Pension Related Deferred Outflows	787,688	
		(1,341,373)
Net Position of Governmental Activities		$ 8,469,785

The accompanying notes are an integral
part of the financial statements

Star Fire Protection District
Statement of Revenues, Expenditures, and
Changes in Fund Balances -
Governmental Funds
For the Year Ended December 31, 2024

	General	Impact Fees	Bond	Total Governmental Funds
Revenues				
Property Taxes	$ 3,873,827	$ -	$ 200,338	$ 4,074,165
Impact Fee Revenue	-	1,593,787	-	1,593,787
Intergovernmental Revenue	185,088	-	-	185,088
Charges for Services	74,196	-	-	74,196
Maintenance Division	450,311	-	-	450,311
Interest Earned	253,760	-	-	253,760
Other	3,953	-	-	3,953
Total Revenues	4,841,135	1,593,787	200,338	6,635,260
Expenditures				
Current:				
Public Safety:				
General Operations	156,240	-	-	156,240
Insurance	44,917	-	-	44,917
Maintenance and Repairs	93,171	-	-	93,171
Personnel	3,416,927	-	-	3,416,927
Professional Services	122,468	-	-	122,468
Training	12,444	-	-	12,444
Maintenance Division Expense	250,106	-	-	250,106
Debt Service:				
Principal	13,068	-	95,000	108,068
Interest	-	-	105,338	105,338.00
Capital Outlay	249,028	1,593,787	-	1,842,815
Total Expenditures	4,358,369	1,593,787	200,338	6,152,494
Other Financing Sources (Uses)				
Sale of Equipment	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	482,766	-	-	482,766
Fund Balances - Beginning, Previous	5,902,752	2,857,757	-	8,760,509
Prior Period Adjustment	36,285	(2,857,757)	-	(2,821,472)
Fund Balances - Beginning	5,939,037	-	-	5,939,037
Fund Balances - Ending	$ 6,421,803	$ -	$ -	$ 6,421,803

The accompanying notes are an integral
part of the financial statements

Star Fire Protection District
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of the Governmental
Funds to the Statement of Activities
For the Year Ended December 31, 2024

Total Net Change in Fund Balance - Governmental Funds		$ 482,766
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	$ 1,732,654	
Depreciation Expense	(398,064)	
		1,334,590
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.		8,861
Bond proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the Statement of Net Position, however, issuing debt increases long-term liabilities an does not affect the Statement of Activities.		
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.		
Principal Payments	$ 95,000	
Accrued Interest	1,921	
		96,921
Compensated absences reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This amount represents the net change in compensated absences.		9,623
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.		(356,957)
Change in Net Position of Governmental Activities		$ 1,575,804

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 Star Fire Protection District (the District), which provides fire protection 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. All remaining governmental funds are aggregated and reported as nonmajor 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.* This is to account for impact fees that are collected and spent on approved items.
- *Bond fund.* This is to account for property tax collected to make bond payments and the related payments.

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.

The District uses the following fund balance categories in the governmental fund Balance Sheet:

- *Nonspendable.* Includes items that are permanently precluded from conversion to cash, such as prepaid items.
- *Restricted.* Includes items that are restricted by external creditors, grantors or contributors, or restricted by statutory provisions.

- *Committed.* Includes items committed by the District's governing board through formal action to commit funds for a specific purpose.
- *Assigned.* Includes items assigned by the governing board or their designee to be reserved for use in a future period or an anticipated purpose.
- *Unassigned.* Balances available for any purpose.

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 placed in custody of the Clerk. All cash on hand, demand deposits, and short-term investments with an original maturity of 3 months or less are considered to be cash and cash equivalents. See Note 2.

Inventories

In the fund financial statements, inventories are stated at cost and are expensed when used, i.e. the purchase method. However, in the government-wide statements inventory is reported on the consumption method. There are no dollar differentials between the two methods. In the fund financial statements, the inventory balance is considered non-spendable for fund balance purposes but not treated as such in the net position of the government-wide statements.

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 roll 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	10 – 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 accounts. As of December 31, 2024 there was no allowance for uncollectable accounts.

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.

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.

2. CASH AND INVESTMENTS

Deposits

As of December 31, 2024, the carrying amount of the District's deposits was $1,213,798 and the respective bank balances totaled $1,270,590.

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 of 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
Certificates of Deposit	$ 3,087,534	$ 3,087,534	
External Investment Pool	6,308,919	6,308,919	-
	$ 9,396,453	$ 9,396,453	$ -

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

	Governmental Activities
Cash and cash equivalents	$ 1,213,798
Investments categorized as deposits	6,308,919
	$ 7,522,717
Certificates of Deposit	$ 3,087,534

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) 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 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 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 the 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 $324,643 for the year ended December 31, 2024.

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

At December 31, 2024, the District reported a liability 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 0.0559022 percent.

For the year ended December 31, 2024, the District recognized pension expense/ (revenue) of $681,600. At December 31, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 332,923	$ -
Changes in assumptions or other inputs	82,839	-
Net difference between projected and actual earnings on pension plan investments	-	37,957
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	206,300	-
Star Fire Protection District's contributions subsequent to the measurement date	165,626	-
Total	$ 787,688	$ 37,957

$165,626 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 and 4.6 for the measurement period ended 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:

For the Year Ended December 31:	PERSI
2025	$ 338,257
2026	459,315
2027	(12,682)
2028	(35,159)

Actuarial Assumptions

Valuations are based on actuarial assumptions, the benefit formulas, and employee groups. Level percentages of payroll normal costs are determined using the Entry Age Normal Cost Method. Under the Entry Age Normal Cost Method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated as a level percentage of each year's earnings of the individual between entry

age and assumed exit age. The Base Plan amortizes any unfunded actuarial accrued liability based on a level percentage of payroll. The maximum amortization period for the Base Plan permitted under Section 59-1322, Idaho Code, is 25 years.

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

Inflation	2.30%
Salary increases	3.05%
Salary inflation	3.05%
Investment rate of return	6.35%, net of investment expense
Cost-of-living adjustments	1%

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 Teachers 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.

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:

	1% Decrease (5.35%)	Current Discount Rate (6.35%)	1% Increase (7.35%)
Employer's proportionate share of the net pension liability (asset)	$ 3,973,750	$ 2,091,104	$ 553,463

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:

	Beginning	Earned	Used	Ending	Current
Governmental Activities	$ 300,611	$ 169,777	$ 179,400	$ 290,988	$145,494

6. OTHER COMMITMENTS

The District has credit cards available for use. The limits total to $24,600. As of December 31, 2024 the amount used was $6,997.

7. JOINT POWERS AGREEMENTS

In 2019 the District entered in to a Joint Powers Agreement (JPA) with the Middleton Rural Fire District. As part of the JPA the District will provide administrative services for both Middleton Rural Fire District. The District bills the Middleton Rural Fire District monthly for administrative services provided. The District billed and received from Middleton Rural Fire $76,604 during the year ending December 31, 2024.

8. INTERGOVERNMENTAL RECEIVABLES

Amounts due from other governmental units include state revenue sharing of $45,188 due from the State of Idaho.

9. INTERFUND BALANCE

The summary of balances due from other funds reported in fund financial statements as of December 31, 2024, are as follows:

Due To/From	
$ 580,209	Due to the General Fund from the Impact Fee Fund for cost reimbursement
$ 580,209	

10. CAPITAL ASSETS

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

	Balance 12/31/2023	Additions	Disposals	Balance 12/31/2024
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	$ 546,416	$ -	$ -	$ 546,416
Construction in Progress	61,438	1,333,287	-	1,394,725
Total Nondepreciated Assets	607,854	1,333,287	-	1,941,141
Capital Assets Being Depreciated:				
Buildings and Improvements	5,047,143	99,675	23,560	5,123,258
Equipment	2,756,847	321,092	-	3,077,939
Total Historical Cost	7,803,990	420,767	23,560	8,201,197
Less: Accumulated Depreciation				
Buildings and Improvements	716,409	129,444	2,160	843,693
Equipment	1,971,657	268,620		2,240,277
Total Acc. Depr.	2,688,066	398,064	2,160	3,083,970
Net Depreciable Assets	5,115,924	22,703	21,400	5,117,227
Governmental Activities Capital Assets – Net	$ 5,723,778	$ 1,355,990	$ 21,400	$ 7,058,368

Governmental Activities:	
Public Safety	$ 398,064

11. LONG-TERM OBLIGATION

The District obtained a general obligation bond to be used for the purchase and remodel of the new fire station located at 11136 W State, Star, Idaho. The bond payments are due annually beginning in September 2021 and ends September 2049. Interest rate is set at 3.033% until September 1, 2035, at which time the interest rate become variable at the equivalent of the blended average of the 10-year and 20-year Treasury Constant maturity plus 1.9%. Interest payments are to be made March 1 and September 1 and principle payments are to be made annually on September 1.

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

Description	Maturity	Rate	12/31/2023	Increase	Decrease	12/31/2024	Current Portion
Capital Project Bond	2049	3.03%	$ 3,472,406	$ -	$ 95,000	$ 3,377,406	$ 100,000

Debt service requirements on long-term debt as of December 31, 2024, are as follows:

Year Ending December 31,	Principal	Interest	Total
2025	$ 100,000	$ 102,437	$ 202,437
2026	100,000	99,404	199,404
2027	105,000	96,370	201,370
2028	110,000	93,186	203,186
2029	110,000	89,850	199,850
2030-2034	615,000	396,323	1,011,323
2035-2039	710,000	297,295	1,007,295
2040-2044	825,000	183,103	1,008,103
2045-2049	702,406	51,853	754,259
	$ 3,377,406	$ 1,409,821	$ 4,787,227

Interest expense for the year was $105,338, none of which was capitalized.

12. TAX ABATEMENT

Canyon County entered in to a property tax abatement with several local businesses under Idaho Code 63-602NN.

For the year ended December 31, 2024, Canyon County Commissioners abated $17,553 of property taxes from certain business tax levy, which they were not required to pay.

13. RESTATEMENT

In prior years the capital outlay expense was overstated by $36,285. This caused the fund balance to be understated by the same. In prior years the deferred revenue was understated by $2,821,472. 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 Funds
Fund Balance, Beginning - As Previously Stated	$ 5,902,752
Increase in Fund Balance Due to Overstatement of Capital Outlay	36,285
Fund Balance, Beginning - Restated	$ 5,939,037

	Governmental Activities
Net Position, Beginning - As Previously Stated	$ 9,715,453
Decrease in Net Position Due to Understated Deferred Revenue	(2,821,472)
Net Position, Beginning - Restated	$ 6,893,981

REQUIRED SUPPLEMENTARY INFORMATION

Star Fire Protection District
Budgetary Comparison Schedule (GAAP Basis)
General Fund
For the Year Ended December 31, 2024

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues				
Property Taxes	$ 3,763,267	$ 3,763,267	$ 3,873,827	$ 110,560
Intergovernmental Revenue	75,000	75,000	185,088	110,088
Charges for Services	-	-	74,196	74,196
Maintenance Division	575,000	575,000	450,311	(124,689)
Interest Earned	-	-	253,760	253,760
Other	678,744	678,744	3,953	(674,791)
Total Revenues	5,092,011	5,092,011	4,841,135	(250,876)
Expenditures				
Current:				
Public Safety:				
General Operations	181,300	181,300	156,241	25,059
Insurance	45,000	45,000	44,917	83
Maintenance and Repairs	114,000	114,000	93,171	20,829
Personnel	3,577,711	3,577,711	3,416,927	160,784
Professional Services	81,500	81,500	122,468	(40,968)
Training	25,000	25,000	12,444	12,556
Maintenance Division Expense	346,000	346,000	250,105	95,895
Debt Service:				
Principal	-	-	13,068	(13,068)
Capital Outlay	721,500	721,500	249,028	472,472
Total Expenditures	5,092,011	5,092,011	4,358,369	733,642
Net Change in Fund Balances	-	-	482,766	482,766
Fund Balances - Beginning, Previous	-	-	5,902,752	5,902,752
Prior Period Adjustment	-	-	36,285	36,285
Fund Balances - Beginning	-	-	5,939,037	5,939,037
Fund Balances - Ending	$ -	$ -	$ 6,421,803	$ 6,421,803

Star Fire Protection District
Budgetary Comparison Schedule (GAAP Basis)
Impact Fees Fund
For the Year Ended December 31, 2024

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues				
Impact Fees Revenue	$ 2,500,000	$ 2,500,000	$ 1,593,787	$ (906,213)
Total Revenues	2,500,000	2,500,000	1,593,787	(906,213)
Expenditures				
Current:				
Public Safety:				
Capital Outlay	2,500,000	2,500,000	1,593,787	906,213
Total Expenditures	2,500,000	2,500,000	1,593,787	906,213
Other Financing Sources (Uses)				
Transfer In/Out	-	-	-	-
Cash Reserves/Savings				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	-	-	-	-
Fund Balances - Beginning, Previous	-	-	2,857,757	-
Prior Period Adjustment	-	-	(2,857,757)	-
Fund Balances - Beginning	-	-	-	-
Fund Balances - Ending	$ -	$ -	$ -	$ -

1. BUDGETS AND BUDGETARY ACCOUNTING

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

A. 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.

B. Public hearings are conducted to obtain taxpayer comments.

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

D. 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.

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

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

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

Star Fire Protection District
Schedules of Required Supplemental Information
Public Employees Retirement System of Idaho
Last 10 - Fiscal Years
Public Employees Retirement System of Idaho

Schedule of the District's proportionate Share of Net Pension Liability

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-emplyee payroll	Plan fiduciary net position as a percentage of the total pension liability
2024	0.0559022%	$ 2,091,104	$ 2,378,744	87.91%	85.54%
2023	0.0503090%	2,007,667	2,222,193	90.35%	83.83%
2022	0.0416498%	1,640,486	1,876,398	87.43%	83.09%
2021	0.0339727%	(26,831)	1,337,711	-2.01%	100.36%
2020	0.0344552%	800,095	1,203,813	66.46%	88.22%
2019	0.0342588%	391,055	1,200,150	32.58%	93.79%
2018	0.0299266%	441,423	1,017,682	43.38%	91.69%
2017	0.0307624%	483,532	893,923	54.09%	90.68%
2016	0.0293452%	594,872	909,893	65.38%	87.26%
2015	0.0269655%	355,092	807,830	43.96%	91.38%

Data reported is measured as of June 30, 2024

Schedule of District's Contributions

Year	Contractually required contributions	Contributions in relation to the contractually required contributions	Contributions deficiency (excess)	District's covered-employee payroll	Contributions as a percentage of covered-employee payroll
2024	$ 324,643	$ 324,643	-	$ 2,378,744	13.65%
2023	281,185	281,185	-	2,222,193	12.65%
2022	229,955	229,955	-	1,876,398	12.26%
2021	163,777	163,777	-	1,337,711	12.24%
2020	147,351	147,351	-	1,203,813	12.24%
2019	142,985	142,985	-	1,200,150	11.91%
2018	118,553	118,553	-	1,017,682	11.65%
2017	104,231	104,231	-	893,923	11.66%
2016	106,094	106,094	-	909,893	11.66%
2015	94,193	94,193	-	807,830	11.66%

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
Star Fire Protection District
Star, Idaho

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the fund information of Star Fire Protection 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 6, 2025.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Star Fire Protection District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 Star Fire Protection 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, ID
August 6, 2025