Timberlake Fire Protection District

Financial Statements
SEPTEMBER 30, 2024

Timberlake Fire Protection District

TABLE OF CONTENTS
September 30, 2024

FINANCIAL SECTION:

Independent Auditor's Report ..... 1 - 3

Management's Discussion and Analysis ..... 4 - 11

Basic Financial Statements:

District-wide Financial Statements:

Statement of Net Position 12

Statement of Activities 13

Fund Financial Statements:

Governmental Funds – Balance Sheet 14

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position 15

Governmental Funds – Statement of Revenues, Expenditures and Changes in Fund Balances 16

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities 17

Notes to the Financial Statements ..... 18 - 32

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Revenues, Expenditures and Changes in Fund Balances- Budget and Actual:

General Fund 33

GASB 68 Required Supplementary Information:
- Schedule of Employer's Share of Net Pension Liability 34
- Schedule of Employer Contributions 34

REPORT REQUIRED BY THE GAO

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 ..... 35 - 36

Financial Section

Independent Auditor's Report

HOOVER
Certified Public Accountant | Business Consultant

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Timberlake Fire Protection District
Athol, Idaho 83801

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of Timberlake Fire Protection District, as of September 30, 2024, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

INDEPENDENT AUDITOR'S REPORT (Continued)

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 no absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary information, and GASB 68 information on pages 33 and 34 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.

INDEPENDENT AUDITOR'S REPORT (Concluded)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2024, on our consideration of Timberlake Fire Protection District's internal control over financial reporting and on our test of its compliance with certain provisions, 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.

Scott P. Hoover, CPA

Scott P. Hoover, CPA, PLLC
Liberty Lake, WA

December 16, 2024

Management's Discussion & Analysis

Timberlake Fire Protection District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2024

The Timberlake Fire Protection District's (TFPD) discussion and analysis is designed to assist the reader with understanding the significant financial issues and provide an overview of financial activities for the fiscal year ended September 30, 2024. This information will focus on the current year's activities, changes and known facts and should be studied with the District's financial statements which are located after this section.

FINANCIAL HIGHLIGHTS

- The District's total net position for the fiscal year ending September 30, 2024 was $2,415,857 Of this amount, $976,065 is invested in capital assets. $569,253 is restricted to eligible expenditures of impact fees collected, and $870,539 is unrestricted.

- Kootenai and Bonner County Taxes accounted for $1,272,469 in revenue, or 73.85% of all fiscal year 2024 general revenues.

- Total expenses were $1,664,021 in 2023 and $1,798,350 in 2024.

- The District's revenues on the Statement of Revenues, Expenditures and Changes in Fund Balances resulted in a $1,976,535 fund balance.

OVERVIEW OF FINANCIAL STATEMENTS

This section of the financial report consists of three parts: management's discussion and analysis; basic financial statements; including notes to the financial statements; and other required supplementary information.

The basic financial statements consist of two kinds of statements that present different views of the District's financial activities.

- The statement of net position and statement of activities provide information on a district-wide basis. The statements present an aggregate view of the District's finances. District-wide statements contain useful long-term information, as well as information for the just-completed fiscal year.

- The remaining statements are fund financial statements that focus on current financial resources. Since the District is a special district with only governmental funds, and only one type of these funds, the general fund, there are not significant differences between the fund financial statements and the statement of net position and statement of activities, other than the long-term information regarding debt and the capitalization and depreciation of fixed assets, which is not presented in the fund financial statements.

The notes to the financial statements provide further explanation of some of the information in the statements and provide additional disclosures so statement users have a complete picture of the District's financial activities and position. The notes provide additional information that is essential to fully understand the data provided in the government-wide financial statements. The notes to financial statements can be found beginning on page 18.

Required supplementary information further explains and supports the financial statements by including a comparison of the District's budget data for the year.

OVERVIEW OF FINANCIAL STATEMENTS

District-wide Statements

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The two district-wide statements report the District's net position and how they have changed. Net position, the difference between the District's assets and liabilities, are one way to measure the District's overall financial position.

- Increases or decreases in the District's net position are one indicator of whether its financial position is improving or deteriorating, respectively.

- To assess the overall financial condition of the District, additional non-financial factors, such as changes in the District's property tax base and the condition of its equipment, buildings and other facilities, should be considered.

In the district-wide financial statements, the District's activities are all classified as governmental activities, as the district has only one fund, the general fund, which is a governmental type fund. Most of these activities are supported by property taxes.

Fund Financial Statements

Since the District has only one fund, the general fund, the fund financial statements provide similar information about the District's operations and financial position for the year ended September 30, 2024 as the District-wide statements. Funds are accounting devices the District uses to keep track of sources of funding and spending on particular programs and to demonstrate compliance with various regulatory requirements.

The District has one type of fund.

- Governmental Fund — All of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets, which can readily be converted to cash, flow in and out and (2) the balances left at year-end that are available for funding future basic services. Consequently, the governmental funds statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Governmental fund information does not report on long-term commitments as is reported on the district-wide statements. Therefore an explanation of the differences between the governmental funds and the district-wide statements is included as a separate statement.

FINANCIAL ANALYSIS (Continued)

Net position

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by $2,415,857 as of September 30, 2024. The following Table 1 presents a summary of the District's net position.

TABLE 1

Statement of Net Position
September 30, 2024 and 2023

	2024	2023
ASSETS:		
Cash and cash equivalents	$ 1,366,576	$ 1,246,038
Restricted cash and cash equivalents - Impact Fees	569,253	366,932
Receivables	38,901	35,047
Prepaid expenses	55,804	25,829
Land	150,237	150,237
Capital assets, net of accumulated depreciation	825,828	854,897
Total assets	3,006,599	2,678,980
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred pension outflows	160,090	263,308
Total deferred outflows of resources	160,090	263,308
LIABILITIES:		
Accounts payable and accrued expenses	5,707	8,032
Accrued payroll and related costs	23,412	18,854
Noncurrent liabilities:		
Compensated absences	57,336	42,077
Net pension liability	652,532	653,910
Total liabilities	738,987	722,873
DEFERRED INFLOWS OF RESOURCES:		
Deferred pension inflows	11,845	-
Total deferred inflows of resources	11,845	-
NET POSITION:		
Net investment in capital assets	976,065	1,005,134
Restricted - impact fees	569,253	366,932
Unrestricted	870,539	847,349
Total net position	$ 2,415,857	$ 2,219,415

The largest portion of the District's net position reflects its investment in capital assets (e.g. buildings and real property, equipped apparatus, station equipment and furniture and fixtures).

FINANCIAL ANALYSIS (Continued)

Statement of Activities

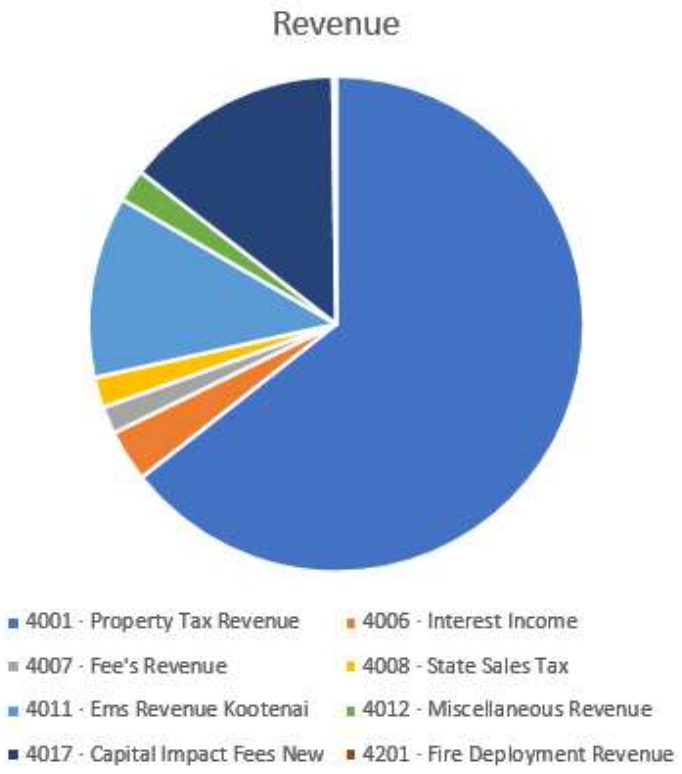
The following table shows the statement of activities for the fiscal year 2024.

TABLE 2
Statement of Activities For the Year Ended September 30, 2024 and 2023

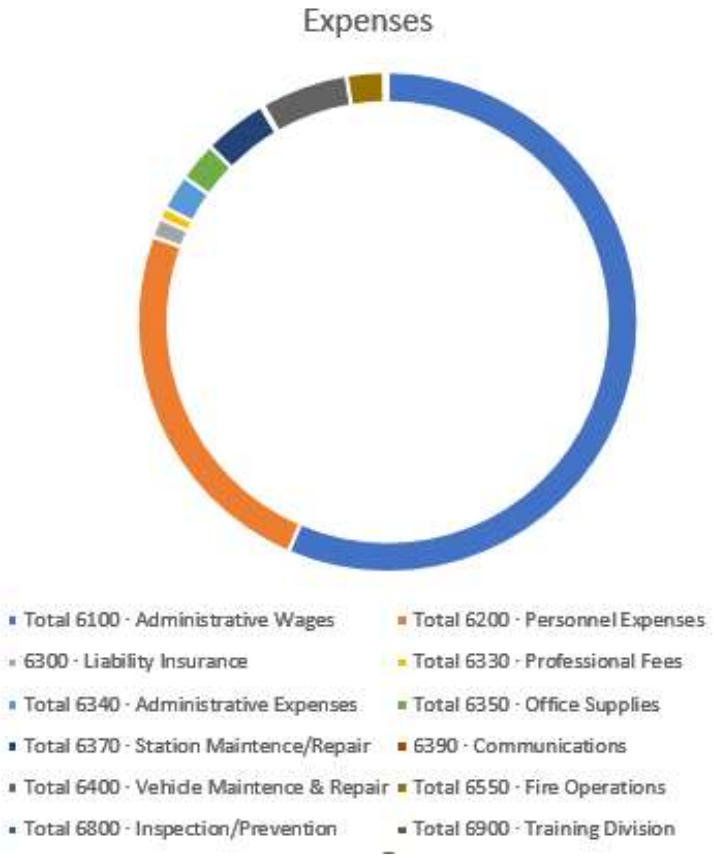
	2024	2023
EXPENSES:		
Public safety - fire protection:		
Labor	$ 891,705	$ 767,749
Payroll taxes and benefits	458,205	409,392
Liability insurance	18,788	17,424
Professional fees	11,469	17,843
Administrative expenses	33,364	15,147
Office supplies	6,815	7,293
Station maintenance and repair	62,766	61,076
Communications	2,171	4,244
Vehicle maintenance and repair	85,733	141,786
Fire operations	37,207	40,954
Information technology, internet, and software	25,557	17,556
Inspection and prevention	1,098	1,018
Training	1,644	5,481
Telephone	7,766	4,943
Depreciation	154,062	152,115
Total program expenses	1,798,350	1,664,021
PROGRAM REVENUES:		
Charges for services - KCEMSS	236,547	230,434
Charges for services - permits and inspections	35,316	16,112
Total program revenues	271,863	246,546
Net program expense	1,526,487	1,417,475
GENERAL REVENUES:		
Property taxes	1,272,469	1,201,575
Impact fees	284,139	376,908
Gain on sale of assets	22,950	-
Sales tax	53,048	58,541
Penalties and interest	-	521
Interest income	67,365	55,814
Miscellaneous	22,958	22,304
Total general revenues	1,722,929	1,715,663
Change in net position	$ 196,442	$ 298,188
Net position- beginning	2,219,415	1,921,227
Net position- ending	$ 2,415,857	$ 2,219,415

The accompanying "Notes to the Financial Statements" are an integral part of this statement.

The District's total revenues for the fiscal year ended September 30, 2024 was $1,994,792. General revenues include: sales tax proceeds distributed quarterly per Idaho Code 63-3638, property tax levied annually per Idaho Code 31-1423 and late fees and interest collected on delinquent property tax as provided by Idaho Code 63-812. Other general revenues include unanticipated reimbursement of worker's compensation benefits paid out to personnel, donations from the public, interest earned on cash deposits to a checking account and investments in the State Local Government Investment Pool (LGIP).



The District's total program expenditures for the fiscal year ended September 30, 2024 was $1,798,350. The District's fire protection and emergency medical services expenses include operating costs for: personnel wages and benefits, training, facility maintenance, fuel, liability insurance and professional fees, office and administration.



The following table shows the changes between the original and final General Fund budget as of September 30, 2024.

General Fund Budgetary Highlights

Table 3

Statement of Revenues and Expenditures – Budget and Actual
For the Year Ended September 30, 2024

	Original* Budgeted Amounts	Actual Amounts	Variance With Budget
REVENUES			
Property taxes	$ 1,226,435	$ 1,270,364	$ 43,929
Impact fees	-	284,139	284,139
Sales tax	60,000	53,048	(6,952)
Emergency medical services	236,547	236,547	-
Permits and inspections	20,000	35,316	15,316
Interest on investments	40,000	67,365	27,365
Miscellaneous	22,400	22,958	558
Total revenues	1,605,382	1,969,737	364,355
EXPENDITURES			
Public safety - fire protection:			
Labor	902,018	876,446	25,572
Payroll taxes and benefits	397,777	344,520	53,257
Liability insurance	22,582	18,788	3,794
Professional fees	20,000	11,469	8,531
Administrative expenses	36,000	33,364	2,636
Office supplies	7,300	6,815	485
Station maintenance andrepair	75,350	62,766	12,584
Communications	10,000	2,171	7,829
Vehicle maintenance and repair	80,635	85,733	(5,098)
Fire operations	41,057	37,207	3,850
Information technology, internet, and software	26,550	25,557	993
Inspection and prevention	1,000	1,098	(98)
Training	4,000	1,644	2,356
Telephone	6,800	7,766	(966)
Capital expenditures and debt service:			
Capital outlay	-	125,893	(125,893)
Total expenditures	1,631,069	1,641,237	(10,168)
Excess (deficiency) of revenues over expenditures	(25,687)	328,500	374,523
OTHER FINANCING SOURCES (USES):			
Proceeds from sale of capital assets	-	23,850	23,850
Total other financing sources (uses)	-	23,850	23,850
Net change in fund balances	(25,687)	352,350	378,037
Fund balance- beginning	25,687	1,624,185	1,598,498
Fund balance- ending	$ -	$ 1,976,535	$ 1,976,535

* Budget was not amended

The District adopts a budget in August for the subsequent year, which begins October 1.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The District has invested approximately $2,868,145 (cost) in a broad range of capital assets, including buildings, land, equipped apparatus, station equipment and furniture and fixtures. Total accumulated depreciation on these assets amounts to $1,892,080 at September 30, 2024.

Long Term Debt and Lease Obligations

The District currently has no long term debt or lease obligations.

ECONOMIC FACTORS AND CONDITIONS CONSIDERATION

There were a number of factors considered by the Fire District administration during the process of developing the fiscal 2024 budget. The primary factors considered were new construction within the District, the local economy, and proceeding with running a campaign for a permanent levy override.

FACTORS BEARING ON THE DISTRICTS FUTURE

Fire District administration continues to evaluate current trends and compare those to projections made during previous fiscal years. Based on those outcomes, we have identified circumstances that may impact the District's financial status.

- The District has begun receiving capital impact fees. These fees are a one-time charge against a new development project to help pay for new or expanded facilities or equipment that will directly affect the increased demand created by that development. The District's Capital Improvement Plan (CIP) will continue to be referenced as the impact fees may only be used to secure items addressed within the CIP.

- The District has completed an apparatus replacement plan. The current equipment assets are analyzed against future needs for expansion and improvement. A command vehicle was purchased during this fiscal year. The plan will continue to be followed for future procurements.

- The District ran a levy override campaign for the 2024 November election. The funds to run that campaign are seen within this fiscal year budget.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens and taxpayers with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives. If you have questions about this report or need additional information, contact the District, E. 5985 Hwy 54, P.O. Box 810, Athol, ID 83801.

Financial Section

Basic Financial Statements

Timberlake Fire Protection District

STATEMENT OF NET POSITION
September 30, 2024

ASSETS:	
Cash and cash equivalents	$ 1,366,576
Restricted cash and cash equivalents - Impact Fees	569,253
Receivables:	
Property taxes	30,551
Other	8,350
Prepaid expenses	55,804
Land	150,237
Capital assets, net of accumulated depreciation	825,828
Total assets	3,006,599
DEFERRED OUTFLOWS OF RESOURCES:	
Deferred pension outflows	160,090
Total deferred outflows of resources	160,090
LIABILITIES:	
Accounts payable and accrued expenses	5,707
Accrued payroll and related costs	23,412
Noncurrent liabilities:	
Compensated absences	57,336
Net pension liability	652,532
Total liabilities	738,987
DEFERRED INFLOWS OF RESOURCES:	
Deferred pension inflows	11,845
Total deferred inflows of resources	11,845
NET POSITION:	
Net investment in capital assets	976,065
Restricted - impact fees	569,253
Unrestricted	870,539
Total net position	$ 2,415,857

The accompanying "Notes to the Financial Statements"
are an integral part of these financial statements.

Timberlake Fire Protection District

STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2024

EXPENSES:		
Public safety - fire protection:		
Labor	$	891,705
Payroll taxes and benefits		458,205
Liability insurance		18,788
Professional fees		11,469
Administrative expenses		33,364
Office supplies		6,815
Station maintenance and repair		62,766
Communications		2,171
Vehicle maintenance and repair		85,733
Fire operations		37,207
Information technology, internet, and software		25,557
Inspection and prevention		1,098
Training		1,644
Telephone		7,766
Depreciation		154,062
Total program expenses		1,798,350
PROGRAM REVENUES:		
Charges for services - KCEMSS		236,547
Charges for services - permits and inspections		35,316
Total program revenues		271,863
Net program expense		1,526,487
GENERAL REVENUES:		
Property taxes		1,272,469
Impact fees		284,139
Gain on sale of assets		22,950
Sales tax		53,048
Interest income		67,365
Miscellaneous		22,958
Total general revenues		1,722,929
Change in net position		196,442
Net position- beginning		2,219,415
Net position- ending	$	2,415,857

The accompanying "Notes to the Financial Statements"
are an integral part of this statement.

Timberlake Fire Protection District

GOVERNMENTAL FUNDS
BALANCE SHEET
September 30, 2024

ASSETS:		
Cash and cash equivalents	$	1,366,576
Restricted cash and cash equivalents - Impact Fees		569,253
Accounts receivable:		
Property taxes		30,551
Other receivables		8,350
Prepaid expenses		55,804
Total assets	$	2,030,534
LIABILITIES:		
Accounts payable	$	5,707
Accrued payroll and related costs		23,412
Total liabilities		29,119
DEFERRED INFLOWS OF RESOURCES:		
Unavailable revenue- property taxes		24,880
Total deferred inflows of resources		24,880
FUND BALANCES:		
Nonspendable- prepaids		55,804
Restricted - impact fees		569,253
Committed		588,495
Unassigned		762,983
Total fund balances		1,976,535
Total liabilities, deferred inflows of resources, and fund balances	$	2,030,534

The accompanying "Notes to the Financial Statements"
are an integral part of this statement.

Timberlake Fire Protection District

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
September 30, 2024

Total fund balances - Governmental Funds, September, 30, 2024	$	1,976,535
Add: Cost of capital assets, September 30, 2024		2,868,145
Less: Accumulated depreciation, September 30, 2024		(1,892,080)
Elimination of unavailable revenue- property taxes		24,880
Noncurrent liabilities:		
Compensated absences		(57,336)
Pension liabilities, deferred outflows and deferred inflows of resources related to pensions:		
District's proportionate share of collective deferred outflows of resources		160,090
Proportionate share of collective deferred inflows of resources		(11,845)
District's proportionate share of the collective net pension liability		(652,532)
Net position, September 30, 2024	$	2,415,857

The accompanying "Notes to the Financial Statements" are an integral part of this statement.

Timberlake Fire Protection District

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the Year Ended September 30, 2024

REVENUES:	
Property taxes	$ 1,270,364
Impact fees	284,139
Sales tax	53,048
Emergency medical services	236,547
Permits and inspections	35,316
Interest income	67,365
Miscellaneous	22,958
Total revenues	1,969,737
EXPENDITURES:	
Public safety - fire protection:	
Labor	876,446
Payroll taxes and benefits	344,520
Liability insurance	18,788
Professional fees	11,469
Administrative expenses	33,364
Office supplies	6,815
Station maintenance and repair	62,766
Communications	2,171
Vehicle maintenance and repair	85,733
Fire operations	37,207
Information technology, internet, and software	25,557
Inspection and prevention	1,098
Training	1,644
Telephone	7,766
Capital expenditures and debt service:	
Capital outlay	125,893
Total expenditures	1,641,237
Excess of revenues over expenditures	328,500
OTHER FINANCING SOURCES:	
Proceeds from sale of capital assets	23,850
Total other financing sources	23,850
Net change in fund balance	352,350
Fund balance - beginning	1,624,185
Fund balance - ending	$ 1,976,535

The accompanying "Notes to the Financial Statements"
are an integral part of this statement.

Timberlake Fire Protection District

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2024

Total net changes in fund balances for the year ended September 30, 2024	$	352,350
Add: Capital outlay, which is considered expenditures		125,893
Less: Depreciation expense for the year ended September 30, 2024		(154,062)
Less: Proceeds from sale of assets		(23,850)
Add: Gain on sale of assets		22,950
Add: Difference between revenue earned on property taxes on modified accrual basis versus revenue on property taxes on accrual basis		2,105
Change in compensated absences		(15,259)
Change in net pension liability		(113,685)
Change in net position for the year ended September 30, 2024	$	196,442

The accompanying "Notes to the Financial Statements" are an integral part of this statement.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The District was formerly known as the Athol Fire Protection District. The Athol Fire Protection District and the Bayview Fire Protection District merged to form Timberlake Fire Protection District, and became a taxing district in 1999. The District operates under a locally elected Board of Commissioners and provides fire protection and emergency medical services to Athol, Idaho and the surrounding area as defined by the District's Board of Commissioners. Commissioners are elected by the public and have decision-making authority, the power to designate management, the responsibility to significantly influence operations, and primary accountability for fiscal matters.

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

The District is a governmental subdivision of Idaho and a body politic and corporate. The District has oversight responsibility and control over all activities related to the District's functions. The District is not included in any other governmental "reporting entity" as defined in GASB pronouncements, since the public elects the District Commissioners. All accounts and operations of the District are included in these financial statements.

The accounting methods and procedures adopted by the District conform to generally accepted accounting principles as applied to governmental entities. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The most significant of the District's accounting policies are described below:

B. Basis of Presentation - Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and statement of activities) report information on all of the non-fiduciary activities of the primary government.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions are restricted to the operational or capital requirements of a particular function or segment. Taxes and other items properly not included among program revenues are reported instead as general revenues.

C. Basis of Presentation – Fund Financial Statements

The District uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain District functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The District has only one governmental fund:

General Fund – The general fund is used to account for all financial resources except those required to be accounted for in another fund. The general fund is available for any purpose provided it is expended or transferred according to Idaho State law.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources.* The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are prepared using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when liabilities are incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified-accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuances of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

E. Cash and Cash Equivalents

Cash received by the District is pooled for investment purposes and is presented as “Cash and Cash Equivalents” on the financial statements.

During the fiscal year ended September 30, 2024, cash and cash equivalents were limited to bank deposits and the Idaho State Investment Pool. The Idaho State Investment Pool is an investment pool, which allows districts within the State of Idaho to pool their funds for investment purposes. Investments in the Idaho State Investment Pool are valued at cost, which materially equals market value.

For presentation in the financial statements, investments in the cash management pool and investments with an original maturity of three months or less, at the time they are purchased by the District, are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Capital Assets

General capital assets usually result from expenditures (capital outlay) in the governmental funds. These assets are reported in the government-wide statement of net position but are not reported in fund financial statements.

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

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

	Estimated Lives
Building and improvements	20 – 40 years
Station equipment and vehicles	5 – 10 years
Furniture & fixtures	5 – 10 years
Fire trucks & equipment	15 years

G. Compensated Absences

The District reports compensated absences in accordance with the provisions of GASB Statement No. 16, *Accounting for Compensated Absences*. Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the District will compensate the employees for the benefits through paid time off or some other means. The District records a liability for accumulated unused vacation time when earned for all employees who qualify.

Employees are granted vacation and sick leave benefits in varying amounts to specified maximums based on tenure and hours worked per week. Generally, after three months of service, employees are entitled to their accrued vacation leave upon separation of service. Upon separation of employment, employees are not eligible for sick leave compensation. Accordingly, no liability is accrued for sick leave. The liability for accrued compensated absences as of September 30, 2024 was $57,336 and has been recorded in the government-wide statement of net position.

H. Impact Fees

Impact fees are one-time charges assessed against new development projects within the District's boundaries that attempt to recover the cost incurred by the District in providing the fire protection services required to serve the new development. Impact fees may only be used to fund facilities and capital acquisitions that are directly associated with the new development and growth in the District's boundaries. Impact fees are recognized as revenue upon receipt and any unspent impact fee revenues are presented as restricted cash and cash equivalents and offset by a restricted fund balance/net position in the accompanying financial statements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, claims and judgments and the noncurrent portion of capital leases, which will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. In general, payments made within 60 days after year end are considered to have been made with current available financial resources. Bonds and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

J. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has only one item that qualifies for reporting in this category. It is the deferred outflows relating to the accounting for the net pension obligation on the government-wide statement of net position, in accordance with GASB 68, *Accounting and Financial Reporting for Pensions*.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has only one type of item, which arises only under a modified-accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, unavailable revenue- property taxes, is reported only in the governmental funds balance sheet. The governmental funds balance sheet reports unavailable revenue from property taxes which have not been collected within 60 days after the fiscal year-end. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The District has one type of item, which arises under the full accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item “deferred pension inflows” is reported only on the government-wide statement of net position, and presents the District’s proportionate share of the collective deferred pension inflows in accordance with GASB 68, *Accounting and Financial Reporting for Pensions.*

K. Fund Balance Classifications

The District has adopted GASB Statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions” (required implementation date of June 2011). This Statement establishes criteria for classifying governmental fund balances into specifically defined classifications. Classifications are hierarchical and are based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the funds may be spent. Application of the Statement requires the District to classify and report amounts in the appropriate fund balance classifications. The District’s accounting and finance policies are used to interpret the nature and/or requirements of the funds and their corresponding assignment as restricted, committed, assigned, or unassigned.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The District reports the following classifications as applicable:

Non-spendable Fund Balance – Non-spendable fund balances are amounts that cannot be spent because they are either: (a) not in spendable form – such as inventory or prepaid insurance or (b) legally or contractually required to be maintained intact – such as a trust that must be retained in perpetuity.

Restricted Fund Balance – Restricted fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. Restrictions are placed on fund balances when legally enforceable legislation establishes a specific purpose for the funds. Legal enforceability means that the District can be compelled by an external party (e.g., citizens, public interest groups, the judiciary) to use resources created by enabling legislation only for the purposes specified by the legislation.

Committed Fund Balance – Committed fund balances are amounts that can only be used for specific purposes as a result of constraints imposed by the Board of Commissioners. Amounts in the committed fund balance classification may be used for other purposes with the appropriate due process by the Board of Commissioners. Committed fund balances differ from restricted fund balances because the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

Assigned Fund Balance – Assigned fund balances are amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by: (a) the secretary/treasurer, or (b) an appointed body (e.g., a budget or finance committee) or official to which the Commissioners have delegated the authority to assign, modify, or rescind amounts to be used for specific purposes. Assigned fund balance includes: (a) all remaining amounts that are reported in governmental funds (other than the general fund) that are not classified as non-spendable, restricted, or committed, and (b) amounts in the general fund that are intended to be used for a specific purpose. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service, or permanent fund, are assigned for purposes in accordance with the nature of their fund type. Assignment within the general fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the District itself.

Unassigned Fund Balance – Unassigned fund balance is the residual classification for the general fund. This classification represents general fund balance that has not been assigned to other funds, and that has not been restricted, committed, or assigned to specific purposes within the general fund.

L. Fund Balance Flow Assumptions

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)

M. Net Position Flow Assumption

Net position represents the difference between assets and liabilities. Net investment in capital assets (net of any related debt) consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

N. Estimates

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

O. Property Taxes

In the fund financial statements, property taxes are recorded as revenue in the period levied to the extent that they are collected within 60 days after year-end, in accordance with the modified-accrual basis of accounting. Receivables collectible after the 60-day date are reflected in the fund financial statements as deferred inflows of resources. In the government-wide financial statements, property taxes are recorded as revenue in the period levied in accordance with the accrual basis of accounting.

The District's property tax is levied each November based on the assessed value listed as of the prior September for all property located within the District. Assessed values are established by the County Assessor. Property tax payments are due in one-half installments in December and June.

P. Pension Plan

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.

NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

Budgets are adopted on a basis consistent with generally accepted accounting principles. An annual budget is adopted for the general fund. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed as an extension of formal budgetary integration in the general fund.

This is in conformance with Idaho State Statutes, which require that appropriations lapse at the end of a fiscal year and are not available to be carried forward to be used in addition to the succeeding year's appropriation. The budget was not amended in the current fiscal year.

The following procedures are followed in establishing the budgetary data reflected in the financial statements:

a) The District publishes a proposed budget for public review.

b) Public hearings are set to obtain taxpayer comments.

c) Prior to October 1, the budget is adopted by resolution of the Board of Commissioners and published.

Lapsing of Appropriations – At the close of each year, all unspent appropriations revert to the respective funds from which they were appropriated and become subject to future appropriation.

NOTE 3: CASH AND CASH EQUIVALENTS

General:

State statutes authorize the District's investments and deposits. The District is authorized to invest in demand deposits, savings accounts, U.S. Government obligations and its agencies, obligations of Idaho and its agencies, fully collateralized repurchase agreements, prime domestic commercial paper, prime domestic bankers acceptances, bonds, debentures or notes of any corporation organized, controlled and operating within the U.S. which have at their purchase an "A" rating or higher, government pool and money market funds consisting of any of these securities listed. No violations of these categories have occurred during the year.

Custodial Credit Risk:

Custodial credit risk is the risk that in the event of a failure of a financial institution, the District's deposits and investments may not be returned to it. The District does not have a deposit policy for custodial credit risk. At September 30, 3024, the carrying amount of the District's deposits is $1,935,829 and the bank balance is $1,959,972. As of September 30, 2024, the District's deposits were exposed to custodial credit risk as follows:

NOTE 3: CASH AND CASH EQUIVALENTS (Concluded)

Deposits without exposure to custodial credit risk:	
Amounts insured by FDIC	$ 33,733
Deposits with exposure to custodial credit risk:	
Amounts collateralized with securities in trust, but not in the District's name	1,926,239
Total Deposits	$ 1,959,972
Cash and cash equivalents at September 30, 3024 consist of the following:	
Deposits	$ 9,590
Idaho State Investment Pool	1,926,239
Total	1,935,829
Cash and cash equivalents are presented in the financial statements as follows:	
Cash and cash equivalents	1,366,576
Restricted cash and cash equivalents	569,253
Total	$ 1,935,829

Fair Value:

The District's investments in 2a-7-like pools are valued based upon the value of pool shares. The District invests in one 2a-7-like pool, the Idaho State Investment Pool. The advisory board of the Idaho State Investment Pool is composed of members appointed pursuant to the requirements of the Public Funds Investment Act. The Idaho State Investment Pool is duly chartered and administered by the State Treasurer's office and consists of U.S. Treasury bills and notes, collateralized certificates of deposit and repurchase agreements.

As of September 30, 2024, the District had a balance in the Idaho State Investment Pool carried at cost of $1,926,239, which approximates fair market value. The District's portion of the Idaho State Investment Pool had an unrealized gain of $5,000 as of September 30, 2024. As the difference between fair market value and cost is immaterial, the unrealized gain has not been recorded in the District's general ledger.

Credit Risk:

The Idaho State Investment Pool does not have an established credit rating, but invests in entities with a minimum credit rating of "A" as stipulated by Idaho code. The District does not have a formal policy for credit risk. Financial information on the investment pool can be obtained by contacting the Idaho State Treasurer.

NOTE 4: CAPITAL ASSETS

Following is a recap of capital assets for the fiscal year ended September 30, 2024:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	$ 150,237	$ -	$ -	$ 150,237
Total capital assets, not being depreciated	150,237	-	-	150,237
Capital assets, being depreciated:				
Building and improvements	516,386	-	-	516,386
Equipment	692,499	34,937	-	727,436
Vehicles	1,390,130	90,956	7,000	1,474,086
Total capital assets being depreciated	2,599,015	125,893	7,000	2,717,908
Less accumulated depreciation:				
Building and improvements	277,776	16,531	-	294,307
Equipment	597,417	25,405	-	622,822
Vehicles	868,925	112,126	6,100	974,951
Total accumulated depreciation	1,744,118	154,062	6,100	1,892,080
Total capital assets, being depreciated, net	854,897	(28,169)	900	825,828
Governmental activities capital assets, net	$ 1,005,134	$ (28,169)	$ 900	$ 976,065

Depreciation expense of $154,062 for the year ending September 30, 2024 was charged to the public safety- fire protection governmental function.

NOTE 5: LONG-TERM OBLIGATIONS

Changes in general long-term obligations are as follows:

Governmental Activities:	Balance 9/30/2023	New debt/ Additions	Payments/ Reductions	Balance 9/30/2024	Current Portion
Compensated absences	$ 42,077	$ 15,259	$ -	$ 57,336	$ -
Net pension liability	653,910	-	1,378	652,532	-
Total	$ 695,987	$ 15,259	$ 1,378	$ 709,868	$ -

NOTE 6: OPERATING AGREEMENT WITH KOOTENAI COUNTY EMERGENCY MEDICAL SERVICES SYSTEM

Annually, the District enters into a cooperative agreement with Kootenai County Emergency Medical Services System (the "System") authorized by Kootenai County. This agreement authorizes the System and the District to operate and manage Kootenai County's pre-hospital emergency medical services systems, including paramedic, advanced and basic life support services, and emergency and non-emergency medical transport service. The District provides the System with sufficient personnel to staff an ambulance at its main station in Athol, Idaho, on a twenty-four-hour basis, seven days per week. These employees shall remain the employees of the District at all times, and the District is responsible for payment of wages, benefits and payroll taxes. In return, the System was required to pay the District $19,712 monthly for each month this agreement is in effect, for the year ended September 30, 2024.

NOTE 7: COMMITTED FUND BALANCES

The District has committed fund balances as of September 30, 2024 set aside for the following general purposes:

	Amount
Capital equipment	$ 123,777
Capital facilities	64,718
Emergency contingency fund	400,000
	$ 588,495

NOTE 8: DEFINED BENEFIT PENSION PLAN

Plan Description

The District contributes to the Base Plan which is a cost-sharing multiple-employer defined benefit pension plan administered by the 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 the administration of the Base Plan is assigned to the Board comprise 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.

NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

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 covered payroll is set by the Retirement Board and was 11.18% for general employees and 13.26% for public safety. The District's contributions were $100,698 for the year ended September 30, 2024.

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

At September 30, 2024, the District reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2024, the District's proportion was 0.01744437 percent.

NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

For the year ended September 30, 2024, the District recognized pension expense of $214,383. At September 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 103,889	$ -
Changes in assumptions or other inputs	25,850	-
Net difference between projected and actual earnings on pension plan investments	-	11,845
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	-	-
District's contributions subsequent to the measurement date	30,351	-
Total	$ 160,090	$ 11,845

$30,351 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 September 30, 2025.

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, 2022, the beginning of the measurement period ended June 30, 2023 is 4.6 years and 4.6 years for the measurement period June 30, 2024.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (revenue) as follows:

Year Ending September 30,	
2025	32,206
2026	121,666
2027	(20,981)
2028	(14,997)

NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

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 assume 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 expenses
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 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%
Disable Members – Males Pub-2010 Disable Tables, increased 38%
Disable Members – Females Pub-2010 Disable 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 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 the 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 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 settling 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.

NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are as of 2024.

Capital Market Assumptions

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	0.00%	0.0%
Large Cap	18.00%	4.50%
Small/Mid Cap	11.00%	4.70%
International Equity	15.00%	4.50%
Emerging Markets Equity	10.00%	4.90%
Domestic Fixed	20.00%	-0.25%
TIPS	10.00%	-0.30%
Real Estate	8.00%	3.75%
Private Equity	8.00%	6.00%

Discount Rate

The discount rate used to measure the total pension liability was 6.35%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate. Based on these assumptions, the pension plan's 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.

NOTE 8: DEFINED BENEFIT PENSION PLAN (Concluded)

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

The following presents Timberlake Fire Protection District's proportionate share of the net pension liability calculated using the discount rate of 6.35 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.35 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	$ 1,240,014	$ 652,532	$ 172,709

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERSI financial report.

PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at www.persi.idaho.gov.

Payables to the Pension Plan

At September 30, 2024, the District had no payables outstanding to the defined benefit pension plan for legally required employer contributions or for legally required employee contributions which had been withheld from employee wages but not yet remitted to PERSI.

NOTE 9: EXPENDITURES IN EXCESS OF BUDGET

The District's total actual expenditures on the governmental funds basis of accounting exceeded total budgeted expenditures by $10,168 for the fiscal year ended September 30, 2024.

Required Supplementary Information

Timberlake Fire Protection District

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Year Ended September 30, 2024

	Original* Budgeted Amounts	Actual Amounts	Variance With Budget
REVENUES			
Property taxes	$ 1,226,435	$ 1,270,364	$ 43,929
Impact fees	-	284,139	284,139
Sales tax	60,000	53,048	(6,952)
Emergency medical services	236,547	236,547	-
Permits and inspections	20,000	35,316	15,316
Interest on investments	40,000	67,365	27,365
Miscellaneous	22,400	22,958	558
Total revenues	1,605,382	1,969,737	364,355
EXPENDITURES			
Public safety - fire protection:			
Labor	902,018	876,446	25,572
Payroll taxes and benefits	397,777	344,520	53,257
Liability insurance	22,582	18,788	3,794
Professional fees	20,000	11,469	8,531
Administrative expenses	36,000	33,364	2,636
Office supplies	7,300	6,815	485
Station maintenance andrepair	75,350	62,766	12,584
Communications	10,000	2,171	7,829
Vehicle maintenance and repair	80,635	85,733	(5,098)
Fire operations	41,057	37,207	3,850
Information technology, internet, and software	26,550	25,557	993
Inspection and prevention	1,000	1,098	(98)
Training	4,000	1,644	2,356
Telephone	6,800	7,766	(966)
Capital expenditures and debt service:			
Capital outlay	-	125,893	(125,893)
Total expenditures	1,631,069	1,641,237	(10,168)
Excess (deficiency) of revenues over expenditures	(25,687)	328,500	374,523
OTHER FINANCING SOURCES (USES):			
Proceeds from sale of capital assets	-	23,850	23,850
Total other financing sources (uses)	-	23,850	23,850
Net change in fund balances	(25,687)	352,350	378,037
Fund balance- beginning	25,687	1,624,185	1,598,498
Fund balance- ending	$ -	$ 1,976,535	$ 1,976,535

* Budget was not amended

The accompanying "Notes to the Financial Statements"
are an integral part of this statement.

Timberlake Fire Protection District

Schedule of Employer's Share of Net Pension Liability
PERSI - Base Plan
Last 10 - Fiscal Years *

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Employer's portion of the net pension liability (asset)	0.01744%	0.01639%	0.01659%	0.01599%	0.01395%	0.01565%	0.01620%	0.01461%	0.01290%	0.01529%
Employer's proportionate share of the net pension liability (asset)	$ 652,532	$ 653,910	$ 653,486	$ (12,629)	$ 323,982	$ 178,583	$ 238,979	$ 229,584	$ 261,541	$ 201,325
Employer's covered-employee payroll	$ 750,054	$ 686,735	$ 683,264	$ 583,169	$ 489,945	$ 574,475	$ 516,586	$ 451,092	$ 331,030	$ 455,825
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	87.00%	95.22%	95.64%	-2.17%	66.13%	31.09%	46.26%	50.90%	79.01%	44.17%
Plan fiduciary net position as a percentage of the total pension liability	85.54%	83.83%	83.09%	100.36%	88.22%	93.79%	91.69%	90.68%	87.26%	91.38%

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

Date reported is measured as of June 30.

Schedule of Employer Contributions
PERSI - Base Plan
Last 10 - Fiscal Years *

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	$ 100,698	$ 86,120	$ 83,725	$ 72,175	$ 61,530	$ 60,076	$ 60,079	$ 53,472	$ 38,450	$ 50,009
Contributions in relation to the statutorily required contribution	$ (100,698)	$ (86,120)	$ (83,725)	$ (72,175)	$ (61,530)	$ (60,076)	$ (60,079)	$ (53,472)	$ (54,402)	$ (49,113)
Contribution (deficiency) excess	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (15,952)	$ 896
Employer's covered-employee payroll	$ 750,054	$ 686,735	$ 683,264	$ 583,169	$ 489,945	$ 574,475	$ 516,586	$ 451,092	$ 331,030	$ 455,825
Contributions as a percentage of covered-employee payroll	13.43%	12.54%	12.25%	12.38%	12.56%	10.46%	11.63%	11.85%	11.62%	10.97%

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

Date reported is measured as of September 30.

Report Required by the GAO

HOOVER
Certified Public Accountant | Business Consultant

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*

Independent Auditor's Report

To the Board of Commissioners
Timberlake Fire Protection District
Athol, Idaho 83801

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 major fund of Timberlake Fire Protection District (the "District"), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 16, 2024.

Internal Control over Financial Reporting

In planning and performing my audit of the financial statements, we considered Timberlake 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 my 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 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 (CONCLUDED)*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Scott P. Hoover, CPA

Scott P. Hoover, CPA, PLLC
Liberty Lake, WA

December 16, 2024