

BONNEVILLE COUNTY FIRE PROTECTION DISTRICT NO. 1

Minutes of Regular Meeting held February 9, 2023

The Bonneville County Fire Protection District No. 1 (“Fire District”) held its regular monthly meeting of Commissioners on Thursday the 9th day of February 2023 at the offices of Nelson Hall Parry Tucker, PLLC, at 490 Memorial Drive, Suite 200, Idaho Falls, Idaho 83402 convening at 12:00 p.m. The meeting was broadcast via Zoom with the following Meeting ID No. 863 1776 5963, and Passcode 2023Fire.

The following were present:

Commissioners Ralph Isom, Derik Nielsen, Dana Kirkham (at approximately 12:03 p.m.) and Tyler Gebbs were present. The following were also present: Attorney Doug Nelson, Attorney Abigail French, Legal Intern Jessica Steadman, Accountant Terri Gazdik, District Operations Officer Dick Fowler (Via Zoom), Ammon Area Fire Chief Stacy Hyde, City of Idaho Falls Fire Chief Duane Nelson, Ucon Fire Chief Scott Norman, Ron Anderson, Mark Pitcher, Andy Moldenhauer, Jason Howard, BCFD (via Zoom), Jimmie Hitch (sometime after 12:15/12:20 p.m. via Zoom).

Notice of the time, place and purpose was posted at premises of 490 Memorial Drive, Idaho Falls, Idaho, as well as the Fire District website. A copy of the notice and agenda is attached to these minutes.

It was declared that a Quorum of Commissioners were present and due notice of the meeting had been posted in accordance with law.

DISCUSSION AND ACTIONS

1. **Call to Order.** The meeting was called to order at 12:00 p.m. by Ralph Isom.
2. **Approval of Minutes.** Minutes of the regular meeting of Commissioners held on January 12, 2023 were reviewed and following a motion by Derik Nielsen and seconded by Tyler Gebbs, the same were unanimously approved.
3. **Monthly Financial Report and Bill Authorization.** The summary of accounts payable dated February 9, 2023, prepared and submitted by Accountant Terri Gazdik, was reviewed, with a total expenditure of \$25,054.21. Ms. Gazdik reported that she had discussed short-term rates with Ralph Isom. Specifically, she had discussed with Ralph Isom that the Federal Reserve was going to raise rates in March and that this would affect interest rates at local credit unions and banks. Ms. Gazdik advised that she needed information on the ICCU account and when it was maturing. Ms. Gazdik also advised that as it related to the Mountain America, the District should consider looking for another place to invest. Ms. Gazdik reviewed the expenditures and reported on related items. Following discussion and upon motion by Dana Kirkham and seconded by Derik Nielsen, and unanimously accepted, the report was approved for a total expenditure of \$25,054.21.
 - Ms. Gazdik then reviewed the engagement letter from Searle Hart & Associates, PLLC. Specifically, Ms. Gazdik advised that the firm was no longer charging a set fee and that there was an increase in the rate. Ms. Gazdik explained that most accounting firms in the area had increased their rates by

15% or more due to an increase in labor cost as well as inflation. Ms. Gazdik reported that the District had budgeted \$12,000.00-\$15,000.00 for the audit and that the Searle Hart and Associates, PLLC's proposal was in line with what had been budgeted. Following discussion, a motion was made to approve execution of the Engagement Letter from Searle Hart & Associates, PLLC by Dana Kirkham and seconded by Derik Nielsen, and unanimously approved.

4. **Discussion and Reports.** The following items were reviewed and discussed or actions were taken:

- a. District Operations Officer Dick Fowler reported on the following items:
 - Dick Fowler stated that he had stopped by the garage, and everything was frozen. Dick Fowler reported that there had been an issue with battery power but that he had been monitoring the situation and did not believe there was any real issues.
 - Dick Fowler reported on the status of securing specifications for the new Class A pumper. Specifically, Dick Fowler reported that there were some specifications he wanted to add and subtract and that he hoped that he would have more information next month regarding solid numbers on what was being bid.
 - Dick Fowler reported that the commissioners had received a letter from the Union dated February 2, 2023, and that the negotiating team had drafted a proposed response that was expected to be sent today. Dick Fowler reported that the response provided March 22, 2023 as the proposed meeting date and that the proposed location was in the basement conference rooms located at 490 Memorial Drive, Idaho Falls, ID 83402. Dick Fowler reported that he believed said location would be a comfortable location for both parties.
 - Dick Fowler reported that there were three (3) different bills in the legislature and that one (1) had to do with property tax and the homeowner's exemption. Dick Fowler explained that any time there are changes to property taxes, there are potential critical implications for the district.
 - Dick Fowler reported that changes had been made to the ICRMP policy, specifically that equipment had been added.
 - Dick Fowler reported that the cost of worker's compensation was going to go up this year because of the additional personnel.
- b. Chief Duane Nelson reported that the city of Idaho Falls had a total of thirty (30) fire calls, three (3) of which were passenger vehicle fires. Chief Nelson estimated total losses to be \$35,000.00. Chief Nelson reported that they had responded to what was reported to be a chimney fire but turned out not to be. Chief Nelson reported that they had responded to a lot of alarms and gas leaks. Chief Nelson reported that the estimate on the new doors in the recently acquired fire station to be around \$3,000.00.
- c. Chief Stacy Hyde reported that there had been a total of thirty-five (35) calls. Chief Hyde reported one (1) of the calls was related to a chimney fire. Chief Hyde reported total losses to be around \$1,000.00. Chief Hyde reported a total of thirty-one (31) man hours were spent volunteering. Chief Hyde reported on the Year in Review. A copy of said document is attached hereto. Chief Hyde reported that there had been an issue with staff not feeling well and as a result, an environmental

test was done; the test reported nine (9) parts of mold and that said result was within the normal range. The report recommended that furnace filters be replaced as well as a thorough cleaning of the space occur. Chief Hyde reported that Paul Davis Restoration had come out and cleaned out the ducts in the building. Chief Hyde reported on the state insurance fund and that the premium was going to be reassessed in April and was likely going to double based on wages, the hiring of more full-time employees, and the fact that there were more hours per shift. Chief Hyde also reported on ICRMP, specifically that they had been doing the training required to reduce the premium amount.

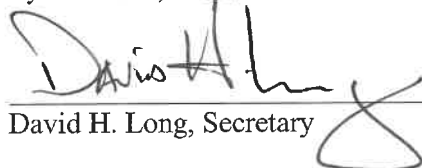
5. **Public Comment.** No public comments were made.
6. **Adjournment.** There being no further business to come before the Board of Commissioners at the meeting a motion was made to adjourn by Derik Nielsen and seconded by Tyler Gebbs with unanimous approval at 12:26 p.m.

Approved the 9th day of March, 2023.


Approved by Board Chairman

ATTEST:

The undersigned, as Secretary of the Bonneville County Fire Protection District No. 1, hereby attests that the foregoing minutes were approved by a proper vote of the Board of Commissioners of the Fire Protection District on the 9th day of March, 2023.


David H. Long, Secretary

BONNEVILLE COUNTY FIRE PROTECTION DISTRICT NO. 1

**NOTICE AND AGENDA FOR MONTHLY MEETING
February 9, 2023**

NOTE: This meeting will be conducted in person and by Zoom. Those joining by Zoom may connect with the following Meeting ID: 863 1776 5936 and Passcode: 2023Fire. For those attending in person the number of persons permitted to attend may be limited for health safety reasons. Priority for personal attendance shall be given to the five serving Fire District commissioners and other officers of the District.

Notice is hereby given that the Bonneville County Fire Protection District No. 1 ("Fire District") will hold its regularly scheduled monthly meeting on Thursday, February 9, 2023, at the hour of 12:00 o'clock p.m. to be held in the conference room at Nelson Hall Parry Tucker, PLLC., located at 490 Memorial Drive, Suite 200, Idaho Falls, Idaho 83402 and by Zoom, as above mentioned. The Commissioners of the Fire District will take up the following agenda during the meeting:

1. Call to Order and Roll Call by Chairman Ralph Isom
2. Review and approval of minutes for the regular meeting held January 12, 2023
Action: Approve minutes of regular meeting held 01/12/2023
3. Review and action on February 2023 monthly bills and financial statement for preceding month. Discussion and possible action regarding Audit Engagement Letter from Searle Hart & Associates, PLLC (Terri Gazdik).
Action: Approve monthly bills and financial report

Possible Action: Approve execution of 2022 Bonneville County Fire District No. 1 Audit Engagement Letter from Searle Hart & Associates, PLLC.
4. Discussion and Reports from District Operations Officer, Fire Chiefs and legal counsel, including:
 - a. Richard Fowler, Operations Officer:
 - (1) Operations report.
 - (2) Discussion regarding progress on securing specifications for new Class A pumper.
 - (3) Report and discussion regarding Intent to Negotiate Letter from Union.
 - b. Chief Duane Nelson, report regarding Idaho Falls Fire Department activity and needs.
 - c. Chief Stacy Hyde, report regarding Ammon Area fire responses activity and needs.
5. Patron and community comments (limited to 5 minutes each)
6. **Summary of Action Items:**
 - (a) Approval of January 12, 2023 meeting minutes.**
 - (b) Approval of monthly bills and financial report.**
 - (c) Possible approval to execute 2022 Bonneville County Fire District No. 1 Audit Engagement Letter from Searle Hart & Associates, PLLC.**
7. Recess/Adjournment

Bonneville County Fire Protection District No. 1, Derik M. Nielsen, Dana Kirkham, David H. Long, Ralph Isom, and Tyler Gebbs, Commissioners.


Bonneville County Fire Protection District #1
Summary of Accounts Payable
March 9, 2023

Vendor	Purchase	Invoice Date	Due Date	Invoice Amount	Net Amt Due
Nelson Hall Parry Tucker PA	Inv 3/7/23	03/07/23	Upon receipt	4,907.00	4,907.00
Cooper Norman	Inv 110888	02/28/23	Upon receipt	4,293.00	4,293.00
Century Link	208-524-9124	02/10/23	pd online	35.02	35.02
	208-525-4800	02/28/23	pd online	23.89	23.89
Rocky Mountain Power	S 55th, S 45th	02/24/23	pd online	174.82	174.82
	2137 S Ammon	02/08/23	pd online	94.21	94.21
	Fire station	02/08/23	pd online	600.03	600.03
Intermountain Gas	S 55th W	03/02/23	pd online	993.18	993.18
	S 45th W	03/06/23	pd online	337.51	337.51
	2137 S Ammon	03/03/23	pd online	941.06	941.06
	3575 Brookfield Lane	03/03/23	pd online	177.75	177.75
Cardmember Services	Ammon	02/05/23	Upon receipt	4,576.46	4,576.46
	BCFD	02/24/23	Upon receipt	179.00	179.00
ALSCO	LBLA2364324, LBLA2368324	2/13, 2/27	Upon receipt	218.84	218.84
City of Ammon	Feb 2137 S Ammon	02/24/23	Upon receipt	130.80	130.80
	Feb 3575 Brookfield	02/24/23	Upon receipt	112.14	112.14
Colson Signs	Inv 4740	03/07/23	Upon receipt	298.00	298.00
D & L Cleaners	Inv 3-1-23	03/01/23	Upon receipt	36.40	36.40
ICRMP	22-23 1/2 down	03/01/23	Upon receipt	9,646.50	9,646.50
LN Curtis	Inv 671189 less credits	01/30/23	Upon receipt	4,461.19	4,461.19
Monte's Lock & Key	Inv 18661	01/09/23	Upon receipt	85.00	85.00
O'Reilly	inv 3832-455304	02/21/23	Upon receipt	152.99	152.99
	Inv 3832-458838	03/08/23	Upon receipt	33.42	33.42
Teton Communication	Inv 23128	02/13/23	Upon receipt	832.00	832.00
Wex Fuel	Feb billing	02/28/23	Upon receipt	1,103.35	1,103.35
Total				34,443.56	34,443.56

Financial Institution	Amount	Current Interest Rate
Idaho Central Credit Union	matures 1/13/2023 277,584.64	0.30%
East Idaho Credit Union	matures 9/3/2023 252,062.49	2.00%
East Idaho Credit Union checking	5.00	
Mountain America Federal Credit Union	matures 3/19/23 299,017.59	0.30%
Westmark	matures 7/2/2023 279,967.46	0.45%
Citizens Community Bank/Glacier	matures 4/24/2023 273,884.78	0.40%
Lookout CU	matures 10/22/23 265,708.48	0.25%
Bank of Commerce CD #6216	matures 6/11/2023 285,705.99	0.20%
Connections CU CD	matures 6/1/2024 273,210.32	3.35%
DL Evans	matures 3/27/2024 263,858.04	3.05%
LGIP	5,020,864.03	4.3133%
Connections savings	31.37	
Idaho Central Credit Union Savings	25.00	
Mountain America Federal Credit Union	5.00	
Westmark Savings	25.28	
Lookout Credit Union savings	25.70	
Lookout Credit Union savings	25.00	
Bank of Commerce savings	50,026.37	0.67%
Bank of Commerce	73,736.24	
Bank of Commerce MM	5,295.51	0.25%
TOTAL	7,621,064.29	

Fiscal year	2022/2023
City of Idaho Falls payments	
<u>Due</u>	
October	x 420,268.00
January	x 420,268.00
April	420,268.00
July	420,268.00
Total	1,681,072.00

Authorization to pay bills



BONNEVILLE COUNTY FIRE PROTECTION DISTRICT #1

Profit & Loss Budget vs. Actual

October 2022 through February 2023

03/09/23

Accrual Basis

	Oct '22 - Feb 23	Budget	\$ Over Budget	% of Budget
Income				
400.00 · Tax Revenues	2,501,613.85	2,269,419.62	232,194.23	110.2%
4040.00 · Gain/loss on Investments	25,000.00	0.00	25,000.00	100.0%
410.00 · Interest Income	43,143.63	5,208.31	37,935.32	828.4%
420.00 · Miscellaneous Income	13,282.05	10,125.00	3,157.05	131.2%
440.00 · Grant Proceeds	0.00	400,000.00	-400,000.00	0.0%
Total Income	2,583,039.53	2,684,752.93	-101,713.40	96.2%
Expense				
500.00 · Advertising				
501.02 · Public Relations - Ammon	1,507.50	0.00	1,507.50	100.0%
502.02 · Fire Prevention - Ammon	-1,495.00	0.00	-1,495.00	100.0%
500.00 · Advertising - Other	0.00	2,083.31	-2,083.31	0.0%
Total 500.00 · Advertising	12.50	2,083.31	-2,070.81	0.6%
505.00 · Auto - Fuel & Oil	5,974.91	10,415.00	-4,440.09	57.4%
520.00 · Capital Outlay	229,865.41	27,083.38	202,782.03	848.7%
535.00 · Dues & Subscriptions	3,154.20	2,083.35	1,070.85	151.4%
542.00 · Equipment Rent	1,872.00	0.00	1,872.00	100.0%
550.00 · Ins - Fire, Auto & Liab.	0.00	12,500.00	-12,500.00	0.0%
568.00 · Audit Fees	0.00	4,166.69	-4,166.69	0.0%
569.00 · Accounting Costs	27,050.80	18,750.00	8,300.80	144.3%
570.00 · Legal Costs	24,598.90	26,250.00	-1,651.10	93.7%
574.00 · Contract Services-Machine Hire	0.00	625.00	-625.00	0.0%
575.00 · Building Maintenance/Operation	14,984.80	12,916.69	2,068.11	116.0%
580.00 · Miscellaneous	77.96	0.00	77.96	100.0%
581.02 · Clothing & Uniforms - Ammon	2,162.62	0.00	2,162.62	100.0%
582.02 · Personal Protective Equip-Ammon	2,011.22	0.00	2,011.22	100.0%
583.02 · Postage - Ammon	30.52	0.00	30.52	100.0%
584.02 · Health & Safety - Ammon	1,399.20	0.00	1,399.20	100.0%
585.00 · Office Supplies/Expense	328.78	0.00	328.78	100.0%
586.00 · Training & Certification	-205.00	2,083.35	-2,288.35	-9.8%
615.00 · Repairs & Maint - Equipment	1,626.14	21,250.00	-19,623.86	7.7%
616.00 · Vehicle Repair & Maintenance				
616-1.1 · Truck #	606.02	0.00	606.02	100.0%
616.2.1 · Truck # E1 Engine	2,986.48	0.00	2,986.48	100.0%
616.2.2 · Truck # E2 Engine	19.84	0.00	19.84	100.0%
616.2.3 · Truck # E3 Engine	36.02	0.00	36.02	100.0%
616.3.3 · Truck # WT3 Water Tender	9,507.24	0.00	9,507.24	100.0%
616.00 · Vehicle Repair & Maintenance - Other	2,645.82	0.00	2,645.82	100.0%
Total 616.00 · Vehicle Repair & Maintenance	15,801.42	0.00	15,801.42	100.0%
625.00 · Supplies	12,457.34	27,083.36	-14,626.01	46.0%
630.00 · Taxes & Licenses	304.42	0.00	304.42	100.0%
640.00 · Utilities	6,501.68	10,833.35	-4,331.67	60.0%
644 · Payroll, Benefits, & Taxes				
645.00 · Wages & Salaries				
645.01 · Salaries - BCFD	38,145.15	31,666.69	6,478.46	120.5%
645.02 · Salaries - Ammon	394,354.23	613,850.00	-219,495.77	64.2%
645.00 · Wages & Salaries - Other	450.00	0.00	450.00	100.0%
Total 645.00 · Wages & Salaries	432,949.38	645,516.69	-212,567.31	67.1%
647.00 · Employee Benefits				
648.00 · Insurances - Employee	59,143.03	0.00	59,143.03	100.0%
648.11 · HSA	22,183.17	0.00	22,183.17	100.0%
648.12 · PERSI	47,575.27	0.00	47,575.27	100.0%
648.13 · HRA	5,816.00	0.00	5,816.00	100.0%
648.14 · Phone Reim	305.25	0.00	305.25	100.0%
647.00 · Employee Benefits - Other	225.00	0.00	225.00	100.0%
Total 647.00 · Employee Benefits	135,247.72	0.00	135,247.72	100.0%
650.00 · Wages - Tax Employer	34,851.96	0.00	34,851.96	100.0%
Total 644 · Payroll, Benefits, & Taxes	603,049.06	645,516.69	-42,467.63	93.4%

10:16 AM

03/09/23

Accrual Basis

BONNEVILLE COUNTY FIRE PROTECTION DISTRICT #1

Profit & Loss Budget vs. Actual

October 2022 through February 2023

	<u>Oct '22 - Feb 23</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
655.00 · Workmens Compensation	0.00	8,333.35	-8,333.35	0.0%
660.00 · IT	8,074.43	12,500.00	-4,425.57	64.6%
675.00 · Fire Dept Grant Expend	0.00	400,000.00	-400,000.00	0.0%
700.00 · Payments - City of Idaho Falls	840,536.00	840,536.00	0.00	100.0%
Total Expense	1,801,669.31	2,085,009.51	-283,340.20	86.4%
Net Income	781,370.22	599,743.42	181,626.80	130.3%



September 28, 2022

Bonneville County Fire Protection District #1
Board of Commissioners
1000 Riverwalk Drive, Suite 100
PO Box 51330
Idaho Falls, Idaho 83405-1330

The following represents our understanding of the services we will provide Bonneville County Fire Protection District #1.

You have requested that we audit the financial statements of the governmental activities and each major fund, of Bonneville County Fire Protection District #1, as of September 30, 2022, and for the year then ended and the related notes to the financial statements, which collectively comprise the Bonneville County Fire Protection District #1 's basic financial statements as listed in the table of contents. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter. Our audit will be conducted with the objective of our expressing an opinion on each opinion unit applicable to those basic financial statements.

The objectives of our audit 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 opinion. 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 auditing standards generally accepted in the United States of America (GAAS) will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and 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.

Accounting principles generally accepted in the United States of America, (U.S. GAAP,) as promulgated by the Governmental Accounting Standards Board (GASB) require that supplementary information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB, 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. As part of our engagement, we will apply certain limited procedures to the required supplementary information (RSI) in accordance with auditing standards generally accepted in the United States of America, (U.S. GAAS). These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI. The following RSI is required by U.S. GAAP. This RSI will be subjected to certain limited procedures but will not be audited:

- Management's Discussion and Analysis
- Budget to Actual Comparison
- Schedule of Employer's Share of Net Pension Liability – PERSI Base plan
- Schedule of Employer Contributions – PERSI Base Plan

Auditor Responsibilities

We will conduct our audit in accordance with GAAS in accordance with Government Auditing Standards. As part of an audit in accordance with GAAS and Government Auditing Standards of the Comptroller General of the United States of America, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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.
- 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 entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.
- 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, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Bonneville County Fire Protection District #1's ability to continue as a going concern for a reasonable period of time.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards* of the Comptroller General of the United States of America.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any other periods.

Compliance with Laws and Regulations

As previously discussed, as part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we will perform tests of Bonneville County Fire Protection District #1's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Management Responsibilities

Our audit will be conducted on the basis that management acknowledge and understand that they have responsibility:

- a. For the preparation and fair presentation of the basic financial statements in accordance with accounting principles generally accepted in the United States of America;
- b. For the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of basic financial statements that are free from material misstatement, whether due to error, fraudulent financial reporting, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements; and

- c. To provide us with:
 - i. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the basic financial statements such as records, documentation, and other matters;
 - ii. Additional information that we may request from management for the purpose of the audit; and
 - iii. Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.
- d. For including the auditor's report in any document containing basic financial statements that indicates that such basic financial statements have been audited by the entity's auditor;
- e. For identifying and ensuring that the entity complies with the laws and regulation applicable to its activities;
- f. For adjusting the basic financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current year periods under audit are immaterial, both individually and in the aggregate, to the basic financial statements as a whole;
- g. For acceptance of non-attest services, including identifying the proper party to oversee non-attest work;
- h. For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;
- i. For informing us of any known or suspected fraud affecting the entity involving management, employees with significant role in internal control and others where fraud could have a material effect on the financials; and
- j. For the accuracy and completeness of all information provided.

With regard to the schedule of revenues, expenditures, and changes in fund balance-budget and actual-general fund which is supplementary information, you acknowledge and understand your responsibility: (a) for the preparation of the supplementary information in accordance with the applicable criteria; (b) to provide us with the appropriate written representations regarding the supplementary information; (c) to include our report on the supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information; and (d) to present the supplementary information with the audited basic financial statements, or if the supplementary information will not be presented with the audited basic financial statements, to make the audited basic financial statements readily available to the intended users of the supplementary information no later than the date of issuance by you of the supplementary information and our report thereon.

As part of our audit process, we will request from management, written confirmation concerning representation made to us in connection with the audit.

Nonattest Services

With respect to any nonattest services we perform,

At the end of the year, we agree to perform the following:

- Propose adjusting or correcting journal entries to be reviewed and approved by Bonneville County Fire Protection District #1's management.
- Record new equipment purchased and removing equipment sold or disposed of on depreciation schedule to be reviewed and approved by Bonneville County Fire Protection District #1's management.
- Prepare the annual financial statements. Bonneville County Fire Protection District #1. However, we will provide advice and recommendations to assist management of Bonneville County Fire Protection District #1 in performing its responsibilities.

Bonneville County Fire Protection District #1's management is responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) establishing and maintaining internal controls, including monitoring ongoing activities.

Our responsibilities and limitations of the nonattest services are as follows:

- We will perform the services in accordance with applicable professional standards.
- The nonattest services are limited to the proposed audit adjustments and corrections, preparation of depreciation schedule, and financial statements preparation previously outlined. Our firm, in its sole professional judgment, reserves the right to refuse to do any procedure or take any action that could be construed as making management decisions or assuming management responsibilities, including determining account coding and approving journal entries. Our firm will advise Bonneville County Fire Protection District #1 with regard to the preparation of the financial statements, but Bonneville County Fire Protection District #1 must make all decisions with regard to those matters.

Reporting

We will issue a written report upon completion of our audit of Bonneville County Fire Protection District #1's basic financial statements. Our report will be addressed to the governing body of Bonneville County Fire Protection District #1. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s) to our auditor's report, or if necessary, withdraw from the engagement. If our opinions on the basic financial statements are other than unmodified, we will discuss the reasons with you in advance.

If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue a report as a result of this engagement. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement.

In accordance with the requirements of *Government Auditing Standard*, we will also issue a written report describing the scope of our testing over internal control over financial reporting and over compliance with laws, regulations, and provisions of grants and contracts, including the results of that testing. However, providing an opinion on internal control and compliance will not be an objective of the audit and, therefore, no such opinion will be expressed.

Other Matters

We understand that your employees will prepare all confirmations we request and will locate any documents or support for any other transactions we select for testing.

If you intend to publish or otherwise reproduce the basic financial statements and make reference to our firm, you agree to provide us with printers' proofs or masters for our review and approval before printing. You also agree to provide us with a copy of the final reproduced material for our approval before it is distributed.

Regarding the electronic dissemination of audited financial statements, including financial statements published electronically on your Internet website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Professional standards prohibit us from being the sole host and/or the sole storage for your financial and non-financial data. As such, it is your responsibility to maintain your original data and records and we cannot be responsible to maintain such original information. By signing this engagement letter, you affirm that you have all the data and records required to make your books and records complete.

Provisions of Engagement Administration, Timing, and Fees

During the course of the engagement, we may communicate with you or your personnel via fax or email, and you should be aware that communication in those mediums contains a risk of misdirected or intercepted communications.

The timing of our audit will be scheduled for performance and completion as follows:

	Begin	Complete
Document internal control and preliminary tests	November	January
Observe physical inventories	N/A	N/A
Mail confirmations	February	March
Perform year-end audit procedures	April	May
Issue audit reports	May	May

Dana Izatt or Amy Briggs is the engagement partner or manager for the audit services specified in this letter. His responsibilities include supervising Searle Hart and Associates, PLLC's services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the audit report.

Our fees are based on the amount of time required at various levels of responsibility, plus actual out-of-pocket expenses. An invoice will be rendered upon completion of the audit and is payable upon presentation. We estimate that our fee for the audit will range between \$9,000 to \$14,000. We will notify you immediately of any circumstances we encounter that could significantly affect this initial fee estimate. Whenever possible, we will attempt to use the Bonneville County Fire Protection District #1's personnel to assist in the preparation of schedules and analyses of accounts. This effort could substantially reduce our time requirements and facilitate the timely conclusion of the audit. Further, we will be available during the year to consult with you on financial management and accounting matters of a routine nature.

During the course of the audit, we may observe opportunities for economy in, or improved controls over, your operations. We will bring such matters to the attention of the appropriate level of management, either orally or in writing.

You agree to inform us of facts that may affect the basic financial statements of which you may become aware during the period from the date of the auditor's report to the date the financial statements are issued.

We agree to retain our audit documentation or work papers for a period of at least five years from the date of our report.

At the conclusion of our audit engagement, we will communicate to management the following significant findings from the audit:

- Our view about the qualitative aspects of the entity's significant accounting practices;
- Significant difficulties, if any, encountered during the audit;
- Uncorrected misstatements, other than those we believe are trivial, if any;
- Disagreements with management, if any;
- Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process;
- Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures;
- Representations we requested from management;

- Management's consultations with other accountants, if any; and
- Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management.

The audit documentation for this engagement is the property of Searle Hart and Associates, PLLC and constitutes confidential information. However, we may be requested to make certain audit documentation available to others pursuant to authority given to it by law or regulation, or to peer reviewers. If requested, access to such audit documentation will be provided under the supervision of Searle Hart and Associates, PLLC's personnel. Furthermore, upon request, we may provide copies of selected audit documentation to regulators. The regulators may intend or decide to distribute the copies of information contained therein to others, including other governmental agencies.

In accordance with the requirements of *Government Auditing Standards*, we have attached a copy of our latest external peer review report of our firm for your consideration and files.

Please sign and return the attached copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the financial statements, including our respective responsibilities.

We appreciate the opportunity to submit this proposal to continue service as your financial statement auditors and look forward to working with you and your staff.

Respectfully,

Searle Hart + Associates PLLC
 Searle Hart and Associates, PLLC
 412 Grand Loop
 Rexburg, Idaho 83440

RESPONSE:

This letter correctly sets forth our understanding.

Bonneville County Fire Protection District #1

Acknowledged and agreed on behalf of the Bonneville County Fire Protection District #1 by:

Name: *Ralph Isaac*

Title: *Chair BFC*

Date: *2/8/23*

Ralph Isaac

Poulsen VanLeuven & Catmull PA

Certified Public Accountants

Members of the American Institute of CPA's

and the Idaho Society of CPA's

Jeffrey D. Poulsen, CPA

Darren B. VanLeuven, CPA

Jacob H. Catmull, CPA

Report on the Firm's System of Quality Control

October 7, 2020

To the Members of Searle Hart & Associates, PLLC
and the Peer Review Committee of the Nevada Society of CPA's

We have reviewed the system of quality control for the accounting and auditing practice of Searle Hart & Associates, PLLC (the firm) in effect for the year ended April 30, 2020. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including a compliance audit under the Single Audit Act.

As a part of our review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Searle Hart & Associates, PLLC in effect for the year ended April 30, 2020, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)*, or *fail*. Searle Hart & Associates, PLLC has received a peer review rating of *pass*.

Poulsen VanLeuven & Catmull

Poulsen VanLeuven & Catmull PA