

## **BONNEVILLE COUNTY FIRE PROTECTION DISTRICT NO. 1**

### **Minutes of Regular Meeting held April 9, 2026**

The Bonneville County Fire Protection District No. 1 (“Fire District”) held its regular monthly meeting of Commissioners on Thursday the 9<sup>th</sup> day of April, 2026 at the First District Station located at 2137 S. Ammon Road, Ammon ID, 83406, convening at 6:30 p.m. The meeting was broadcast via Zoom with the following Meeting ID No. 813 2985 9972, and Passcode Fire2026.

The following were present:

Commissioners Tyler Gebbs, David Long, Derik Nielsen, and John Taylor were present. Commissioner Dana Kirkham joined the meeting by phone at 6:43 p.m. and arrived in person at 6:52 p.m. The following were also present: Attorney Abigail French, District Communications Officer Dick Fowler, Beth Lange with Cooper Norman, and Fire District Chief Jon Molbert, along with members of the public, Fire District employees, and other officials.

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 6:30 p.m. by Chairman Derik Nielsen.
2. **Approval of Minutes.** Minutes of the regular meeting of Commissioners held on March 12, 2026, were reviewed. A motion to accept the regular meeting minutes was made by David Long seconded by John Taylor. Said motion carried unanimously.
3. **Monthly Financial Report, Bill Authorization & Discussion.** The summary of accounts payable dated April 9, 2026, prepared and submitted by Beth Lange, was reviewed with a total expenditure of \$508,997.54. Discussion was held regarding accounts payable. Discussion was also had on David Long renewing certificates of deposit coming due in May. After discussion, a motion was made by John Taylor and seconded by Tyler Gebbs to approve the total expenditure of \$508,997.54 and passed unanimously.
4. **Annual Audit Report.** Dana Izatt, CPA, with Searle Hart & Associates presented on the audit report, a copy of which is attached and incorporated as part of these minutes, and noted the positive findings contained within the report. After discussion, a motion was made by John Taylor to approve the audit report. Said motion was seconded by Tyler Gebbs and passed unanimously.

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

- a) Report from Richard Fowler, Operations Officer.
  - i. Discussion was held regarding Fire Truck E1, which is currently out of service and the need to declare the vehicle as surplus. Chief Molbert explained that the vehicle had been extensively evaluated by mechanics at the City of Idaho Falls as well as other professionals, but the issue could not be identified. Chief Molbert stated that comparable engines have an estimated value between \$50,000 and \$65,000; however, due to a non-functioning safety feature, an additional estimated \$25,000 could be incurred in attempting repairs. Chief Molbert further noted that attempts had been made to obtain an appraisal, but no one was willing to appraise the vehicle while the safety feature remained inoperable. Discussion was had regarding whether to sell or donate the vehicle. Chief Molbert expressed a preference to recover some value from the engine and proposed selling the vehicle for \$9,500. In contrast, Richard Fowler stated his preference was to donate the vehicle to the North Fremont Fire Protection District. In light of that discussion, Dana Kirkham moved to declare Fire Truck E1 as surplus and to make a finding that the vehicle had a value of \$10,000 or less. The motion was seconded by Tyler Gebbs and passed unanimously. Following the motion, additional discussion was held regarding whether donation or sale would be most appropriate. After discussion, Dana Kirkham moved to find that the donation of the Fire Truck E1 to the North Fremont Fire District was in the best interest of the public, to authorize legal counsel to prepare a written agreement conveying the fire truck for no consideration, and to make a finding that the fire truck had a value of \$10,000 or less. The motion was seconded by John Taylor and passed unanimously.
  - ii. Discussion was held regarding the status of the grange property. Richard Fowler noted that BMK Services had cleaned up and tuned up the property and that he would ensure the sprinkler system continued to be maintained. Direction was requested from the Board regarding future use of the property, including whether the property should be listed for rent. Dana Kirkham stated that the sale of the property may be the best course of action due to the liability concerns associated with the property as well as the fact that it is not a suitable location for a station. Derik Nielsen stated he tended to agree with Dana Kirkham. Ultimately, the Board agreed that the property had been a worthwhile purchase and directed that the matter be tabled for the time being.
  - iii. Discussion was had on the need to set a date, time, and location for the annual budget hearing. After discussion, a motion was made by Dana Kirkham to hold the budget hearing at 490 Memorial Drive, Idaho Falls, ID 83402, on August 25, 2026, at noon. Said motion was seconded by David Long and passed unanimously.
- b) **Report from City of Idaho Falls Fire Department.** Idaho Falls Fire Department Chief Johan Olson reported a total of 363 EMS calls in Ammon, which included 1 structure fire, 1 vehicle fire, 20 grass fires, and 8 hazmat calls.
- c) **Report from Fire District.** Fire District Chief Jon Molbert reported a total of 33 calls, of which 5 were outside fires, 1 mutual aid response to Central, 2 bomb threats, 4 fire alarms, 2 carbon monoxide calls, and a handful of public service events. Chief Molbert also provided an update on the brush truck and its deployment, as well as

Tower 1, which is currently being repaired in Pocatello. Chief Molbert reported that MDT tablets are being utilized en route and that use of the tablets is being enforced. Chief Molbert further noted that he is exploring different insurance coverage options for Fire District employees, including potential changes to dental and vision coverage, and that pricing comparisons are currently being conducted.

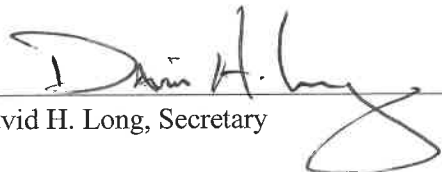
6. **Report from Dana Kirkham.** Dana Kirkham reported that she had met twice with representatives of the City of Idaho Falls, including Mayor Lisa Burtenshaw and Chief Olson, regarding ongoing negotiations. Dana Kirkham noted that the May 1<sup>st</sup> deadline was approaching quickly and that the negotiation team had determined an extension of the deadline would be necessary. Dana Kirkham further stated that the discussions had been positive and included consideration of a more robust mutual aid arrangement and future cooperation between the entities moving forward. She noted that all parties had maintained an open mind throughout the discussions.
7. **Public Comment.** Randy Virgil expressed concern regarding the potential sale of District properties and noted that real property is difficult to acquire in general.
8. **Adjournment.** There being no further business to come before the Board of Commissioners at the meeting, a motion was made to adjourn by Dana Kirkham and seconded by John Taylor with unanimous approval at 7:20 p.m.

Approved the 14<sup>th</sup> day of May, 2026.

  
\_\_\_\_\_  
Approved by Board Chairman, Derik Nielsen

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 14<sup>th</sup> day of May, 2026.

  
\_\_\_\_\_  
David H. Long, Secretary

**BONNEVILLE COUNTY FIRE PROTECTION DISTRICT NO. 1  
NOTICE AND AGENDA FOR MONTHLY MEETING  
April 9, 2026**

**NOTE: This meeting will be conducted in person and by Zoom. Those joining by Zoom may connect with the following Meeting ID: 812 2941 6113 and Passcode: Fire2026. For those attending in person the number of persons permitted to attend may be limited for 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, April 9, 2026, at 6:30 p.m. to be held at 2137 S Ammon Rd, Ammon, ID 83406 and via 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 Derik Nielsen.
2. Review and approval of minutes for regular meeting held on March 12, 2026.  
**Action: Approve minutes of regular meeting held on 3/12/2026.**
3. Review and action on April 2026 monthly bills and financial statement for preceding month (by Terri Gazdik and/or Beth Lange).  
**Action: Approve monthly bills and financial report.**
4. Review of annual audit performed by Dana Izatt, CPA, with Searle Hart & Associates and possible action to accept audit report.  
**Possible Action: Approve annual audit report.**
5. Discussion and Reports from District Operations Officer, Fire Chiefs, including:
  - a. Richard Fowler, Operations Officer:
    - (1) General operations report.
    - (2) Discussion and possible decision regarding setting of annual budget hearing date, time, and location.  
**Possible Action: Setting of date, time, and location of the annual budget hearing.**
    - (3) Discussion and possible action to determine the value of Fire Truck E1 does not exceed \$10,000.00 and possible action to authorize donation of said truck to the Ashton Fire District pursuant to Idaho Code Section 67-2323.  
**Possible Action: Determination that the value of Fire Truck E1 does not exceed \$10,000.00 and authorization to donate said truck to the Ashton Fire District.**
    - (4) Discussion regarding grange facility, including future use and possible authorization to list the property for lease.  
**Possible Action: Authorization to list or otherwise advertise the grange facility for lease.**
  - b. Chief Johan Olson regarding report of Idaho Falls Fire Department activity and needs.

- c. Chief Jonathan Molbert, report regarding general Ammon Area fire responses, activity, and operational needs.
- 6. Patron and community comments (limited to 5 minutes each)
- 7. **Summary of Action Items:**
  - (a) Approval of March 12, 2026, regular meeting minutes.**
  - (b) Approval of monthly bills and financial report.**
  - (c) Possible approval of the annual audit report.**
  - (d) Possible action to set the date, time, and location of the annual budget hearing.**
  - (e) Possible action to declare that the value of Fire Truck E1 does not exceed \$10,000.00 and authorization to donate said truck to the Ashton Fire District.**
  - (f) Possible approval to list or otherwise advertise the grange facility for lease.**
- 8. Recess/Adjournment.

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

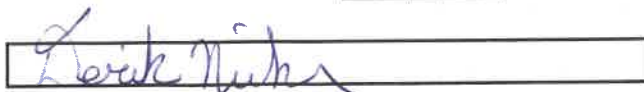
**Bonneville County Fire Protection District #1**  
**Summary of Accounts Payable**  
**April 9, 2026**

Vendor	Purchase	Invoice Date	Due Date	Invoice Amount	Net Amt Due
Nelson Hall Parry Tucker PA	Mar stmt	04/09/26	Upon receipt	2,259.00	2,259.00
Cooper Norman	Inv 211712	04/08/26	Upon receipt	4,695.00	4,695.00
Rocky Mountain Power	144 S 55th W	03/25/26	pd online	91.54	91.54
	2137 S Ammon	03/10/26	pd online	572.94	572.94
	3575 Brookfield	03/25/26	pd online	210.81	210.81
	5990 S 45th W	03/26/26	pd online	42.33	42.33
Intermountain Gas	144 S 55th W	04/01/26	pd online	146.60	146.60
	2137 S Ammon	04/02/26	pd online	293.15	293.15
	3575 Brookfield Lane	04/02/26	pd online	42.86	42.86
	5990 S 45th W	04/03/26	pd online	38.73	38.73
Cardmember Services	#4788 Berg	04/07/26	Upon receipt	29.33	29.33
	#0216 Fowler	04/07/26	Upon receipt	91.44	91.44
	#5644 - Molbert	04/07/26	Upon receipt	12,827.09	12,827.09
	#8458 - Banda	04/07/26	Upon receipt	29.95	29.95
	#0879- Norman	04/07/26	Upon receipt	8,360.86	8,360.86
Allied	AR604644	04/06/26	Upon receipt	33.15	33.15
ALSCO	LBLA2660400	03/11/26	Upon receipt	244.96	244.96
BPA Health Inc	Inv 612426	04/01/26	Upon receipt	78.75	78.75
City of Ammon	2137 S Ammon Rd - utilities	03/30/26	Upon receipt	161.19	161.19
	3575 Brookfield - utilities	03/30/26	Upon receipt	100.31	100.31
City of Idaho Falls	April payment	04/01/26	Upon receipt	454,561.50	454,561.50
D & L Cleaners	March stmt	03/31/26	Upon receipt	40.00	40.00
Jon Molbert	travel reim/ Easter prizes	04/01/26	Upon receipt	2,307.44	2,307.44
Northwest Safety Clean	Inv 26-3318	03/25/26	Upon Receipt	173.40	173.40
O'Reilly	Inv171194,171496,174200	04/09/26	Upon receipt	115.81	115.81
Pristine Supply	Inv PS22083	02/17/26	Upon receipt	38.99	38.99
Rain for Rent	Inv 2257021	04/03/26	Upon receipt	211.64	211.64
Scott Norman	reimbursement	04/09/26	Upon receipt	555.59	555.59
Searle Hart & Associates	Inv 8193	03/28/26	Upon receipt	18,950.00	18,950.00
Yellowstone Lumber	2603-172725	03/24/26	Upon receipt	38.97	38.97
Wex	March stmt	03/31/26	Upon receipt	1,654.21	1,654.21
Total				<b>508,997.54</b>	<b>508,997.54</b>

Financial Institution	Amount	Current Interest Rate
Idaho Central Credit Union	matures 4/14/2026	304,330.81 4.91%
Frontier Credit Union	matures 4/14/2026	276,581.56 4.18%
Mountain America Federal Credit Union	matures 9/20/2026	344,345.93 4.89%
Westmark	matures 10/8/26	307,135.60 4.15%
Citizens Community Bank/Glacier	matures 5/27/2026	289,820.87 3.50%
Lookout CU	matures 11/17/26	296,255.88 4.00%
Bank of Commerce CD #1003	matures 5/11/26	314,351.59 3.74%
Connections CU CD	matures 6/13/26	311,412.79 4.16%
DL Evans	matures 4/30/2026	289,513.49 4.18%
LGIP		5,776,531.82 3.80%
Stifel		564,140.94 3.25%
Connections savings		31.37
Frontier savings		6.50
Idaho Central Credit Union Savings		25.00
Mountain America Federal Credit Union		1.00
Westmark Savings		25.28
Lookout Credit Union savings		25.70
Lookout Credit Union savings		25.00
Bank of Commerce savings		50,764.84 0.45%
Bank of Commerce		-398,611.27
<b>TOTAL</b>		<b>8,726,714.70</b>

Fiscal year	2025-2026
City of Idaho Falls payments	
Due	
October	x 454,561.88
January	x 454,561.12
April	x 454,561.50
July	454,561.50
<b>Total</b>	<b>1,818,246.00</b>

Authorization to pay bills



## BONNEVILLE COUNTY FIRE PROTECTION DISTRICT #1

### Profit & Loss Budget vs. Actual

October 2025 through March 2026

	Oct '25 - Mar 26	Budget	\$ Over Budget	% of Budget
<b>Income</b>				
400 · Tax Revenues	2,839,037.77	2,690,610.00	148,427.77	105.5%
430 · Interest Income	130,788.98	137,499.98	-6,711.00	95.1%
440 · Miscellaneous Income	22,739.67	19,996.00	2,743.67	113.7%
450 · Contract Fire Revenue	249,894.53	0.00	249,894.53	100.0%
<b>Total Income</b>	<b>3,242,460.95</b>	<b>2,848,105.98</b>	<b>394,354.97</b>	<b>113.8%</b>
<b>Expense</b>				
500 · Advertising				
501 · Public Relations - Ammon	2,872.51	0.00	2,872.51	100.0%
502 · Fire Prevention - Ammon	111.83	0.00	111.83	100.0%
500 · Advertising - Other	0.00	4,996.00	-4,996.00	0.0%
<b>Total 500 · Advertising</b>	<b>2,984.34</b>	<b>4,996.00</b>	<b>-2,011.66</b>	<b>59.7%</b>
510 · Audit Fees	18,950.00	10,004.00	8,946.00	189.4%
520 · Vehicle and Travel				
521 · Auto Fuel & Oil	8,933.89	12,496.00	-3,562.11	71.5%
522 · Travel	12,782.01	0.00	12,782.01	100.0%
523 · Contract Fire-Fuel & Travel	6,377.85	0.00	6,377.85	100.0%
<b>Total 520 · Vehicle and Travel</b>	<b>28,093.75</b>	<b>12,496.00</b>	<b>15,597.75</b>	<b>224.8%</b>
530 · Building & Grounds Maintenance				
531 · Building Maint/Operations	3,067.22	0.00	3,067.22	100.0%
532 · Grounds Repair & Maint	1,211.68	0.00	1,211.68	100.0%
530 · Building & Grounds Maintenance - Other	1,442.39	10,004.00	-8,561.61	14.4%
<b>Total 530 · Building &amp; Grounds Maintenance</b>	<b>5,721.29</b>	<b>10,004.00</b>	<b>-4,282.71</b>	<b>57.2%</b>
540 · Equipment Maintenance				
541 · Equipment Repair & Maint	8,511.72	0.00	8,511.72	100.0%
542 · Vehicle Repair & Maint	3,854.15	0.00	3,854.15	100.0%
540 · Equipment Maintenance - Other	658.00	33,364.50	-32,706.50	2.0%
<b>Total 540 · Equipment Maintenance</b>	<b>13,023.87</b>	<b>33,364.50</b>	<b>-20,340.63</b>	<b>39.0%</b>
550 · Capital Outlay	10,247.50	30,496.00	-20,248.50	33.6%
560 · Commissioners(wage, tax, Persi)	66,609.84	60,000.00	6,609.84	111.0%
570 · Computer Support & Equip				
571 · IT - Computer Support & Equip	13,856.86	0.00	13,856.86	100.0%
570 · Computer Support & Equip - Other	0.00	29,002.00	-29,002.00	0.0%
<b>Total 570 · Computer Support &amp; Equip</b>	<b>13,856.86</b>	<b>29,002.00</b>	<b>-15,145.14</b>	<b>47.8%</b>
580 · Property Insurance	18,059.50	20,002.00	-1,942.50	90.3%
590 · Training & Safety				
591 · Training & Certification	2,104.12	0.00	2,104.12	100.0%
592 · Health & Safety - Ammon	2,200.00	0.00	2,200.00	100.0%
590 · Training & Safety - Other	2,418.45	9,000.00	-6,581.55	26.9%
<b>Total 590 · Training &amp; Safety</b>	<b>6,722.57</b>	<b>9,000.00</b>	<b>-2,277.43</b>	<b>74.7%</b>
600 · Workmens Compensation	0.00	33,998.00	-33,998.00	0.0%
610 · Dues & Subscriptions	1,464.00	1,500.00	-36.00	97.6%
620 · Legal Costs	24,906.35	40,996.00	-16,089.65	60.8%
630 · Accounting Costs	29,850.00	31,500.00	-1,650.00	94.8%
640 · Supplies and Miscellaneous				
641 · Supplies				
641.01 · Department Supplies	5,423.49	0.00	5,423.49	100.0%
641.02 · Office Supplies/Expense	831.38	0.00	831.38	100.0%
641.03 · Custodial Supplies	546.87	0.00	546.87	100.0%
641 · Supplies - Other	1,050.49	0.00	1,050.49	100.0%
<b>Total 641 · Supplies</b>	<b>7,852.23</b>	<b>0.00</b>	<b>7,852.23</b>	<b>100.0%</b>
642 · Miscellaneous	357.71	0.00	357.71	100.0%
643 · Clothing & Uniforms	6,446.23	0.00	6,446.23	100.0%
644 · Personal Protective Equip	173.40	0.00	173.40	100.0%
646 · Postage - Ammon	48.21	0.00	48.21	100.0%
647 · Taxes & Licenses	1,737.50	0.00	1,737.50	100.0%
640 · Supplies and Miscellaneous - Other	1,991.12	37,500.00	-35,508.88	5.3%
<b>Total 640 · Supplies and Miscellaneous</b>	<b>18,606.40</b>	<b>37,500.00</b>	<b>-18,893.60</b>	<b>49.6%</b>
650 · Utilities				

1:03 PM

04/09/26

Accrual Basis

## BONNEVILLE COUNTY FIRE PROTECTION DISTRICT #1

### Profit & Loss Budget vs. Actual

October 2025 through March 2026

	Oct '25 - Mar 26	Budget	\$ Over Budget	% of Budget
653 · Water, Sewer & Garbage	772.12	0.00	772.12	100.0%
650 · Utilities - Other	10,545.54	15,496.00	-4,950.46	68.1%
<b>Total 650 · Utilities</b>	<b>11,317.66</b>	<b>15,496.00</b>	<b>-4,178.34</b>	<b>73.0%</b>
660 · Payroll, Benefits, & Taxes				
661 · Wages & Salaries	825,609.57	1,130,504.00	-304,894.43	73.0%
663 · Employee Benefits				
663.01 · Insurances - Employee	197,661.69	0.00	197,661.69	100.0%
663.02 · HSA	11,478.00	0.00	11,478.00	100.0%
663.03 · PERSI	106,245.57	0.00	106,245.57	100.0%
663.04 · HRA	3,800.14	0.00	3,800.14	100.0%
663.05 · Phone Reim	366.31	0.00	366.31	100.0%
663.06 · Employee Benefits - Other	817.73	0.00	817.73	100.0%
<b>Total 663 · Employee Benefits</b>	<b>320,369.44</b>	<b>0.00</b>	<b>320,369.44</b>	<b>100.0%</b>
665 · Wages - Tax Employer	61,508.57	0.00	61,508.57	100.0%
<b>Total 660 · Payroll, Benefits, &amp; Taxes</b>	<b>1,207,487.58</b>	<b>1,130,504.00</b>	<b>76,983.58</b>	<b>106.8%</b>
700.00 · Payments - City of Idaho Falls	909,123.00	909,124.00	-1.00	100.0%
<b>Total Expense</b>	<b>2,387,024.51</b>	<b>2,419,982.50</b>	<b>-32,957.99</b>	<b>98.6%</b>
<b>Net Income</b>	<b>855,436.44</b>	<b>428,123.48</b>	<b>427,312.96</b>	<b>199.8%</b>



P.O. BOX 51330  
IDAHO FALLS, ID 83405

April 9, 2026

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

This representation letter is provided in connection with your audit of the governmental activities and each major fund of the Bonneville County Fire Protection District #1 as of September 30, 2025 and for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, where applicable, of the various opinion units of the Bonneville County Fire Protection District #1 in conformity with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of April 9, 2026.

#### **Financial Statements**

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated November 21, 2025, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
- We acknowledge our responsibility 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.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
- We have reviewed, approved, and taken responsibility for the financial statements and related notes.
- We have a process to track the status of audit findings and recommendations.
- We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.

- The effects of uncorrected misstatements summarized in the attached schedule and aggregated by you during the current engagement are immaterial, both individually and in the aggregate, to the applicable opinion units and to the financial statements as a whole.
- The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
- All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
- All funds and activities are properly classified.
- All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus* as amended, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
- All components of net position, nonspendable fund balance, and restricted, committed, assigned, and unassigned fund balance are properly classified and, if applicable, approved.
- Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position/fund balance are available is appropriately disclosed and net position/fund balance is properly recognized under the policy.
- All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
- All interfund and intra-entity transactions and balances have been properly classified and reported.
- Special items and extraordinary items have been properly classified and reported.
- Deposit and investment risks have been properly and fully disclosed.
- Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
- All required supplementary information is measured and presented within the prescribed guidelines.
- With regard to investments and other instruments reported at fair value:
  - The underlying assumptions are reasonable, and they appropriately reflect management's intent and ability to carry out its stated courses of action.
  - The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
  - The disclosures related to fair values are complete, adequate, and in conformity with U.S. GAAP.
  - There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.

### **Information Provided**

- We have provided you with:
  - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
  - Additional information that you have requested from us for the purpose of the audit; and
  - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
  - Management;
  - Employees who have significant roles in internal control; or
  - Others where the fraud could have a material effect on the financial statements.

- We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, vendors, regulators, or others.
- We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements and we have not consulted legal counsel concerning litigation or claims.
- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
- There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
- The Bonneville County Fire Protection District #1 has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
- We have disclosed to you all guarantees, whether written or oral, under which the Bonneville County Fire Protection District #1 is contingently liable.
- We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62 (GASB-62), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
- We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
- There are no:
  - Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
  - Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.
  - Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62
- The Bonneville County Fire Protection District #1 has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
- We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- We have appointed an individual with the necessary skills, knowledge, and experience to oversee the preparation of the financial statements, reviewed and agree to any adjusting and GASB entries, and reviewed and agree to the depreciation schedules.

### **Reported Findings**

We have provided to you our views on reported audit findings, conclusions, and recommendations, as well as planned corrective actions.

### **Required Supplementary Information**

With respect to the required supplementary information accompanying the financial statements:

- a. We acknowledge our responsibility for the presentation of the required supplementary information in accordance with GASB-34.
- b. We acknowledge our responsibility for the presentation of the management discussion and analysis and budgetary comparison and schedules of employer's share of net pension liability and employer contributions PERSI-base plan information in accordance with GASB.

- c. We believe the required supplementary information, including its form and content, is measured and fairly presented in accordance with GASB-34.
- d. The methods of measurement or presentation have not changed from those used in the prior period.
- e. An actuary has been used to measure pension liabilities and costs.
- f. We believe that the actuarial assumptions and methods used to measure pension and other postemployment benefit liabilities and costs for financial accounting purposes are appropriate in the circumstances

Herik Nika Chairman  
(Name of ~~Chief Executive Officer~~ and Title)

Chairman  
Bill Jorg accounting  
(Name of Chief Financial Officer and Title)



To the Board of Commissioners and Management  
Bonneville County Fire Protection District #1  
Idaho Falls, Idaho

We have audited the financial statements of Bonneville County Fire Protection District #1 as of and for the year ended September 30, 2025 and have issued our report thereon dated April 9, 2026. Professional standards require that we advise you of the following matters relating to our audit.

#### **Our Responsibility in Relation to the Financial Statement Audit**

As communicated in our engagement letter dated November 21, 2025, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of Bonneville County Fire Protection District #1 solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our findings regarding significant control deficiencies over financial reporting and material noncompliance, and other matters noted during our audit in a separate letter to you dated April 9, 2026.

#### **Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated to you in our planning meeting.

#### **Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

We have applied the safeguard of an outside review of our preparation of the financial statements to eliminate identified threats to independence or reduce them to an acceptable level.

#### **Qualitative Aspects of the Entity's Significant Accounting Practices**

##### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by Bonneville County Fire Protection District #1 is included in Note

1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2025. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

#### *Significant Accounting Estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimate affecting the financial statements is depreciation.

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

#### *Financial Statement Disclosures*

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting Bonneville County Fire Protection District #1's financial statements relate to fair value estimates.

#### **Significant Difficulties Encountered during the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

#### **Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. The attached schedule summarizes uncorrected financial statement misstatements whose effects in the current and prior periods, as determined by management, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole and each applicable opinion unit.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The following material misstatements that we identified as a result of our audit procedures were brought to the attention of, and corrected by, management: no material misstatement corrections were made this year.

#### **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to Bonneville County Fire Protection District #1's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

### **Representations Requested from Management**

We have requested certain written representations from management, which are included in the attached letter dated April 9, 2026.

### **Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

### **Other Significant Matters, Findings, or Issues**

In the normal course of our professional association with Bonneville County Fire Protection District #1, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as Bonneville County Fire Protection District #1's auditors.

### **Other Information in Documents Containing Audited Financial Statements**

Pursuant to professional standards, our responsibility as auditors for other information in documents containing Bonneville County Fire Protection District #1's audited financial statements do not extend beyond the financial information identified in the audit report, and we are not required to perform any procedures to corroborate such other information. However, in accordance with such standards, we have read the information and considering whether such information, or the manner of its presentation, was materially inconsistent with its presentation in the financial statements.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

This report is intended solely for the information and use of the Board of Commissioners and management of Bonneville County Fire Protection District #1 and is not intended to be and should not be used by anyone other than these specified parties.

*Searle Hart & Associates PLLC*

Rexburg, Idaho  
April 9, 2026

**BONNEVILLE COUNTY FIRE PROTECTION  
DISTRICT #1  
IDAHO FALLS, IDAHO  
MANAGEMENT REPORT  
For the Year Ended September 30, 2025**



April 9, 2026

**Honorable Board of Commissioners  
Bonneville County Fire Protection District #1  
Idaho Falls, Idaho**

Re: Management Letter

In planning and performing our audit of the financial statements of the Bonneville County Fire Protection District #1, for the year ended September 30, 2025, we considered the District's internal control. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control. We have noted a few suggestions for enhancement of internal control which are listed below.

Budget Overage

The District did not exceed the adopted budget this year. We commend you for your efforts to comply with the adopted budget.

Graph Presentations

Attached are some graphs which should be informative and beneficial in evaluating the performance and trends of the District.

This report is intended solely for the information and use of the District commissioners and management. This restriction is not intended to limit distribution of this report, which is a matter of public record.

*Searle Hart & Associates PLLC*

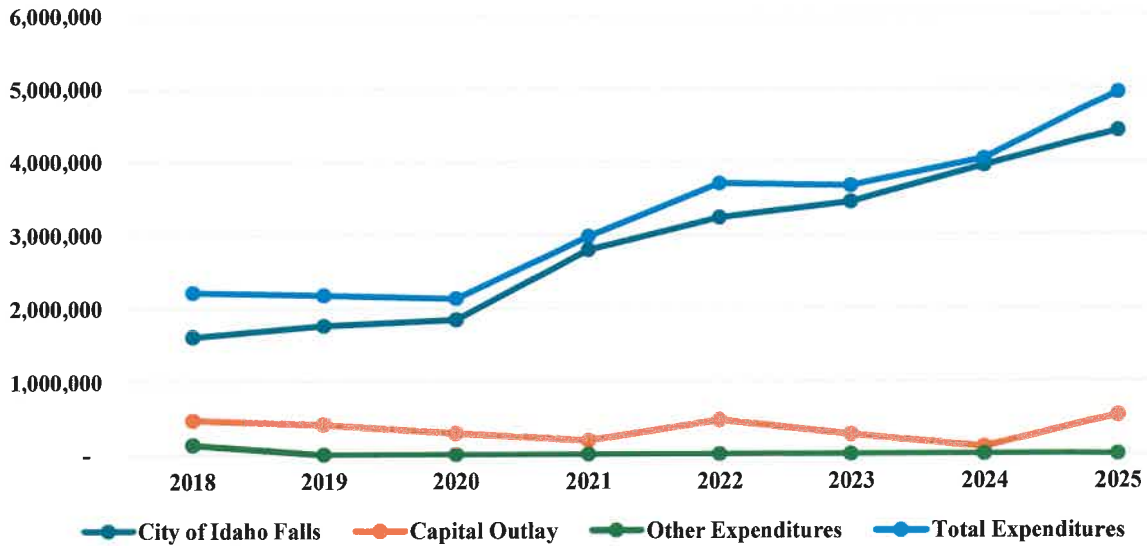
Searle Hart & Associates, PLLC  
Certified Public Accountants

# Bonneville County Fire Protection District #1

## Eight-Year Trend of Revenue

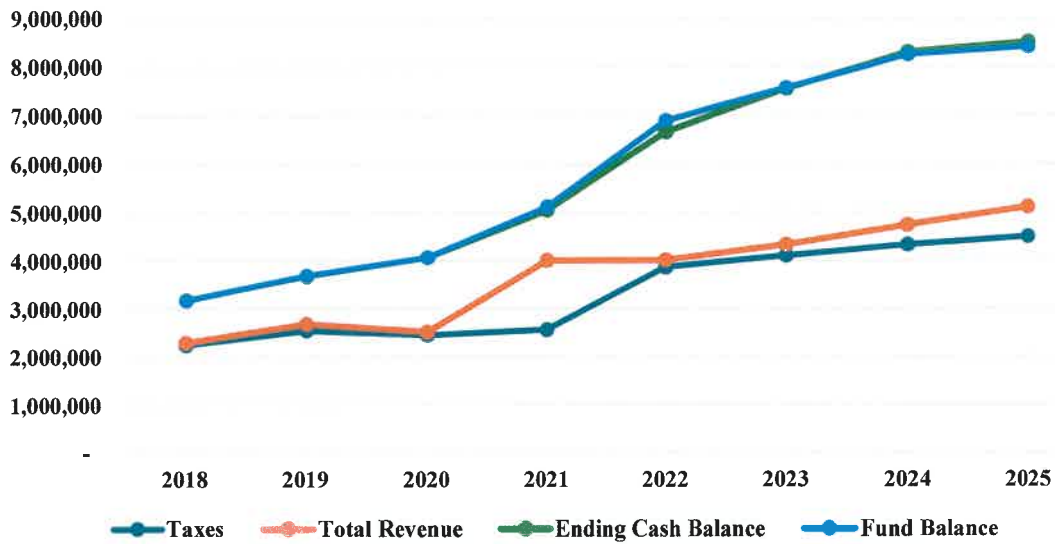


## Eight-Year Trend of Expenditures

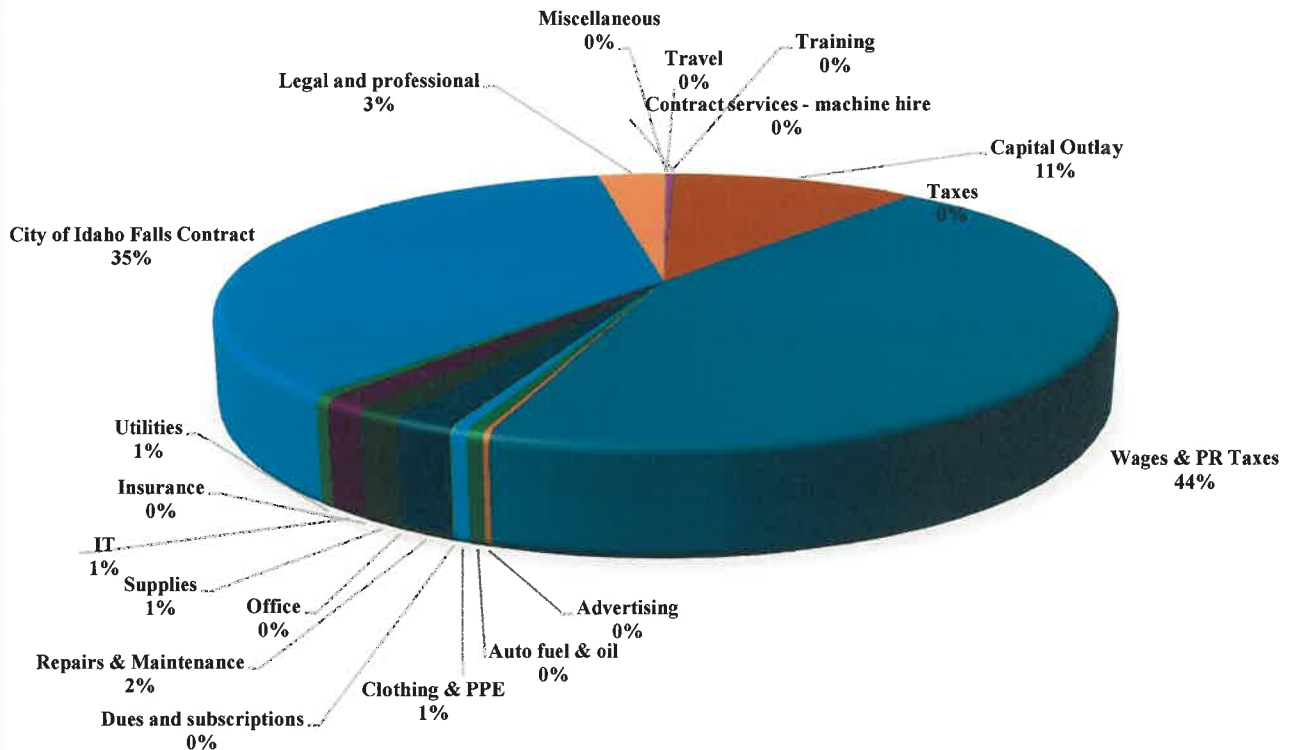


# Bonneville County Fire Protection District #1

## Eight Year Comparison



## EXPENDITURES BY PERCENTAGE



**BONNEVILLE COUNTY  
FIRE PROTECTION DISTRICT #1  
IDAHO FALLS, IDAHO  
ANNUAL FINANCIAL REPORT  
and  
COMPLIANCE REPORTS  
with  
INDEPENDENT AUDITORS' REPORT  
For the Year Ended September 30, 2025**



**BONNEVILLE COUNTY FIRE PROTECTION DISTRICT #1 - STATE OF IDAHO**  
**ANNUAL FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2025**

**TABLE OF CONTENTS**

<b>ITEM</b>	<b>PAGE NO.</b>
Independent Auditor's Report - Annual Financial Statements	
<i>FINANCIAL SECTION</i>	
Statement of Net Position	1 - 2
Statement of Activities	3 - 4
Balance Sheet - Governmental Funds	5
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	6
Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds	7
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	8
Index to Notes to the Financial Statements	9
Notes to the Financial Statements	10 - 24
<i>REQUIRED SUPPLEMENTARY INFORMATION</i>	
Budget and Actual ( With Variances) - General Fund	25
Notes to Required Supplementary Information	26
Schedule of Employer's Share of Net Pension Liability PERSI-Base Plan	27
Schedule of Employer Contributions-Base Plan	28
Notes to PERSI Plan Schedules	29
<i>SUPPLEMENTARY INFORMATION</i>	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	30
<i>OTHER SUPPLEMENTARY INFORMATION</i>	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	31 - 32



***INDEPENDENT AUDITOR'S REPORT***

The Honorable Board of Commissioners  
Bonneville County Fire Protection District #1  
Idaho Falls, Idaho

**Report on the Financial Statements**

***Opinions***

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Bonneville County Fire Protection District #1, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Bonneville County Fire Protection District #1 as of September 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Bonneville County Fire Protection District #1, 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 these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material 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 Bonneville County Fire Protection District #1'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.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material



misstatement when it exists. The risks of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess 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 Bonneville County Fire Protection District #1'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 Bonneville County Fire Protection District #1'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 budgetary comparison and schedules of employer's share of net pension liability and employer contributions PERSI information on pages 25 to 29 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

#### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Bonneville County Fire Protection District #1's basic financial statements. The supplemental schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund on page 30 has been presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. This supplemental schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare



the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated April 9, 2026, on our consideration of Bonneville County Fire Protection District #1's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Bonneville County Fire Protection District #1's 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 Bonneville County Fire Protection District #1's internal control over financial reporting and compliance.

*Searle Hart & Associates PLLC*

Rexburg, Idaho  
April 9, 2026



**FINANCIAL SECTION**

**BONNEVILLE COUNTY FIRE PROTECTION DISTRICT #1-STATE OF IDAHO**  
**STATEMENT OF NET POSITION**  
**September 30, 2025**

	<u>Governmental Activities</u>	<u>Total</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,155,108	\$ 1,155,108
Investments	7,351,883	7,351,883
Taxes receivable	84,400	84,400
Prepaid expenses	52,127	52,127
<b>Capital Assets</b>		
Land and improvements not being depreciated	549,814	549,814
Construction in progress	74,806	74,806
Buildings	1,666,642	1,666,642
Equipment and furniture	3,752,412	3,752,412
Less: accumulated depreciation	<u>(2,957,928)</u>	<u>(2,957,928)</u>
Total Capital Assets	<u>3,085,746</u>	<u>3,085,746</u>
TOTAL ASSETS	<u>11,729,264</u>	<u>11,729,264</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension	\$ <u>(22,174)</u>	\$ <u>(22,174)</u>

	<u>Governmental Activities</u>	<u>Total</u>
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 157,400	\$ 157,400
<b>Long-term liabilities</b>		
<b>Due within one year</b>		
Compensated absences	1,017	1,017
<b>Due in more than one year</b>		
Pension Liability	<u>703,472</u>	<u>703,472</u>
 TOTAL LIABILITIES	 <u>861,888</u>	 <u>861,888</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension	<u>-</u>	<u>-</u>
<b>NET POSITION</b>		
Invested in capital assets, net of related debt	3,085,746	3,085,746
Restricted for:		
Capital projects	-	-
Debt service	-	-
Unrestricted	<u>7,759,456</u>	<u>7,759,456</u>
 TOTAL NET POSITION	 <u>\$ 10,845,202</u>	 <u>\$ 10,845,202</u>

**BONNEVILLE COUNTY FIRE PROTECTION DISTRICT #1-STATE OF IDAHO**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended September 30, 2025**

FUNCTIONS/PROGRAMS	PROGRAM REVENUE			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government:</b>				
Governmental activities:				
General government	\$ -	\$ -	\$ -	\$ -
Public safety	4,720,519	-	-	-
Public works	-	-	-	-
Health, welfare and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Education	-	-	-	-
Conservation/economic development	-	-	-	-
Interest on long-term debt	-	-	-	-
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<u>4,720,519</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL PRIMARY GOVERNMENT</b>	<u>\$ 4,720,519</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

General revenues:

Taxes:

Property taxes, levied for general purposes

Property taxes, levied for debt service

Franchise taxes

Public service taxes

Grants and contributions not restricted to specific programs

Unrestricted investment earnings

Miscellaneous revenue

Special item - gain on sale of assets

Transfers

**TOTAL GENERAL REVENUES, SPECIAL ITEMS,  
AND TRANSFERS**

Change in net position

Net Position, October 1, 2024

**NET POSITION, SEPTEMBER 30, 2025**

**NET POSITION**  
**Primary Government**

	<u>Governmental Activities</u>	<u>Total</u>	
\$	-	-	\$
	(4,720,519)	(4,720,519)	
	-	-	
	-	-	
	-	-	
	-	-	
	-	-	
	<u>(4,720,519)</u>	<u>(4,720,519)</u>	
	<u>(4,720,519)</u>	<u>(4,720,519)</u>	
	4,565,319	4,565,319	
	-	-	
	-	-	
	-	-	
	-	-	
	367,522	367,522	
	239,199	239,199	
	-	-	
	-	-	
	<u>5,172,040</u>	<u>5,172,040</u>	
	451,521	451,521	
	<u>10,393,681</u>	<u>10,393,681</u>	
\$	<u><u>10,845,202</u></u>	<u><u>10,845,202</u></u>	\$

**BONNEVILLE COUNTY FIRE PROTECTION DISTRICT #1-STATE OF IDAHO**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**September 30, 2025**

	<u>GENERAL FUND</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,155,108	\$ 1,155,108
Investments	7,351,883	7,351,883
Taxes receivable, net	84,400	84,400
Prepaid expenses	<u>52,127</u>	<u>52,127</u>
 TOTAL ASSETS	 \$ <u>8,643,518</u>	 \$ <u>8,643,518</u>
<b>LIABILITIES, DEFERRED AND FUND BALANCES</b>		
<b>Liabilities:</b>		
Accounts payable	\$ 97,671	\$ 97,671
Other payables	<u>59,729</u>	<u>59,729</u>
 TOTAL LIABILITIES	 <u>157,400</u>	 <u>157,400</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Revenues unavailable for use	<u>73,282</u>	<u>73,282</u>
<b>FUND BALANCES</b>		
Unassigned	<u>8,412,836</u>	<u>8,412,836</u>
 TOTAL FUND BALANCES	 <u>8,412,836</u>	 <u>8,412,836</u>
 TOTAL LIABILITIES, DEFERRED AND FUND BALANCES	 \$ <u>8,643,518</u>	 \$ <u>8,643,518</u>

**BONNEVILLE COUNTY FIRE PROTECTION DISTRICT #1-STATE OF IDAHO  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
September 30, 2025**

Total fund balance, governmental funds	\$ 8,412,836
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.	3,085,746
Certain deferred outflows are not available to pay current period expenditures and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.	(22,174)
Certain deferred inflows are not available to pay current period expenditures and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.	73,283
Some liabilities, (such as Long-term Compensated Absences, and Pension Liability), are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position.	
Compensated Absences	(1,017)
Pension Liability	<u>(703,472)</u>
Net Position of Governmental Activities in the Statement of Net Position	<u>\$ 10,845,202</u>

**BONNEVILLE COUNTY FIRE PROTECTION DISTRICT #1-STATE OF IDAHO**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS**  
**For the Year Ended September 30, 2025**

	<u>GENERAL FUND</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
<b>REVENUES</b>		
Property taxes	\$ 4,492,036	\$ 4,492,036
Investment earnings	367,522	367,522
Contract Services	-	-
Miscellaneous	239,199	239,199
	<u>5,098,757</u>	<u>5,098,757</u>
<b>EXPENDITURES</b>		
Current:		
General government	-	-
Public safety	4,420,086	4,420,086
Debt Service:		
Principal	-	-
Interest and other charges	-	-
Capital outlay	526,146	526,146
	<u>4,946,232</u>	<u>4,946,232</u>
Excess (deficiency) of revenues over expenditures	152,525	152,525
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers in	-	-
Transfers out	-	-
Total Other Financing Sources (Uses)	-	-
<b>SPECIAL ITEM</b>		
Proceeds from sale of assets	-	-
Net change in fund balances	152,525	152,525
Fund Balances, October 1, 2024	<u>8,260,311</u>	<u>8,260,311</u>
<b>FUND BALANCES, SEPT. 30, 2025</b>	<u><u>\$ 8,412,836</u></u>	<u><u>\$ 8,412,836</u></u>

**BONNEVILLE COUNTY FIRE PROTECTION DISTRICT #1-STATE OF IDAHO  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
For the Year Ended September 30, 2025**

Net change in fund balances - total governmental funds: \$ 152,525

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period.

This is the amount by which capital outlays \$521,342 exceeded depreciation \$286,864 in the current period. 234,478

Some expenses reported in the Statement of Activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:

Deferred outflows of resources not reflected on Governmental funds. (261,138)  
Deferred inflows of resources not reflected on Governmental funds. 73,283  
Net pension liability not reflected on Governmental funds. 224,004

Governmental funds do not recognize compensated absences as expenditures until they are paid. In contrast, the Statement of Activities treats compensated absences as a long-term liability. This is the net change in the compensated absence liability.

28,369

Change in net position of governmental activities \$ 451,521

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**NOTES TO THE FINANCIAL STATEMENTS**

**BONNEVILLE COUNTY FIRE PROTECTION DISTRICT #1 - STATE OF IDAHO**  
**INDEX TO NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2025**

**NOTES INDEX**

1. Summary of Significant Accounting Policies
  - A. General
  - B. Reporting Entity
  - C. Government-wide and Fund Financial Statements
  - D. Measurement Focus and Basis of Accounting
  - E. Assets, Liabilities, and Fund Balances/Net Position
  - F. Budgets and Budgetary Accounting
  - G. Compensated Absences and Post-Employment Benefits
  - H. Revenues and Expenditures/Expenses
  - I. Expenditure/Expense Recognition
  - J. Interfund Activity and Balances
  - K. Use of Estimates
  - L. Pensions
2. Cash and Investments
3. Capital Assets
4. Pension Plan
5. Related Party Transactions
6. Material Violation of Finance-Related Legal and Contractual Provisions
7. Risk Management
8. Deficits and Interfund Transactions
9. Interfund Transfers
10. Subsequent Events
11. Nonspendable and Spendable Fund Balances
12. Deferred Outflows/Inflows of Resources
13. Fair Value
14. Ammon Annexation

**BONNEVILLE COUNTY FIRE PROTECTION DISTRICT #1 - STATE OF IDAHO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2025**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Bonneville County Fire Protection District #1 is organized and operates under the provisions of the Idaho Constitution and the accounting policies and practices of the District conform to accounting principles generally accepted in the United States of America as applied to governments, except for the exceptions noted hereafter:

**A. GENERAL**

The financial statements listed in the table of contents have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

In June 1999, the GASB issued and approved Statements No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*. These statements establish new financial reporting requirements for state and local governments, public colleges, and universities throughout the United States. They require new information and restructure much of the information that governments have presented in the past. Certain significant changes in the statement include the following:

- Financial statements prepared using the full accrual accounting method for all District activities including infrastructure (roads, bridges, etc.).

The District's basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial position.

**B. REPORTING ENTITY**

The scope of the reporting entity is intended to cover those funds under the direct jurisdiction of other governing boards, elected or appointed, that exercise substantially or total administrative and supervisory authority in their name are considered to be substantially autonomous from Bonneville County Fire Protection District #1 government and are not included in this report.

**C. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

The District's basic financial statements consist of both government-wide statements and fund statements. The government-wide statements focus on the District as a whole, while the fund statements focus on individual funds.

***Government-wide Financial Statements***

The government-wide statements present information on all non-fiduciary activities of the government. The District's activities are distinguished between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The effects of interfund activity have been eliminated from the government-wide statements except for the residual amounts due between governmental and business-type activities.

**BONNEVILLE COUNTY FIRE PROTECTION DISTRICT #1 - STATE OF IDAHO  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended September 30, 2025**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The *Statement of Net Position* presents the District's non-fiduciary assets and liabilities, with the difference reported as net position. Net position is restricted when constraints placed upon them are either externally imposed or are imposed by constitutional provisions or enabling legislation.

The *Statement of Activities* demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function. The District does not allocate general government (indirect) expenses to other functions. 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; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other revenues not meeting the definition of program revenues are reported as general revenues.

***Fund Financial Statements***

The financial transactions of the District are recorded in individual funds. A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is used to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. Separate statements are provided for *governmental*, *proprietary*, and *fiduciary funds*. For governmental and proprietary funds, the emphasis is on *major funds*, with each displayed in a separate column.

The District reports the following major governmental funds:

- **General Fund** - This fund is the principal operating fund of the District. It is used to account for all financial resources not required to be accounted for in another fund.

There are no nonmajor funds.

Governmental Fund Types

Governmental funds account for the District's general activities including current expendable financial resources (except for those accounted for in proprietary funds), and are those through which most governmental functions of the District are financed. The following are the District's governmental fund types:

**General Fund** – The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

**Special Revenue Funds** – Special Revenue Funds account for the proceeds of specific revenue sources (other than major capital projects or expendable trusts) that are legally restricted to expenditures for specific purposes.

**Capital Projects Funds** – The Capital Projects Funds are used to account for the financial resources used to acquire major capital assets (other than those financed by proprietary funds).

**BONNEVILLE COUNTY FIRE PROTECTION DISTRICT #1 - STATE OF IDAHO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2025**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Proprietary Fund Types – Enterprise Funds

Enterprise Funds – Enterprise Funds account for operations that meet one of two criteria: 1) the activity runs in a manner similar to private business enterprises. Moreover, the intent of the governing body is that the ongoing operating costs (including depreciation) of providing goods or services to the public are financed or recovered primarily through user charges, or 2) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Fiduciary Fund Types

Fiduciary Funds – Fiduciary Funds account for assets held in a trustee capacity or as an agent for individuals, private organizations, or other governments. The reporting focus is on net position and changes in net position.

Trust and Custodial Funds – Private Purpose Trust Funds account for funds held in a trustee capacity. Custodial funds are purely custodial in nature.

**D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

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 the related liability is incurred, regardless of the timing of the cash flows. Property taxes are recognized as revenues in the year for which they are levied. Other revenues are recognized in the year in which the related sales or other activity has occurred. Grants and similar items are recognized as revenue when all eligibility requirements have been met.

The proprietary and fiduciary fund statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues generally result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating items, such as interest expense and investment earnings, result from nonexchange transactions or ancillary activities.

The governmental fund financial statements are prepared and reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Expenditures are generally recorded when the related liability is incurred.

**E. ASSETS, LIABILITIES, AND FUND BALANCES/NET POSITION**

Following are the District's significant policies regarding recognition and reporting of certain assets, liabilities, and equity.

**BONNEVILLE COUNTY FIRE PROTECTION DISTRICT #1 - STATE OF IDAHO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2025**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Cash and Investments

Cash and cash equivalents consist primarily of demand deposits with financial institutions and short-term investments with original maturities of three months or less from the purchase date. Investments include pooled investments and certificates of deposit with original maturities greater than three months.

Receivables

Receivables include accrued amounts for sales taxes and delinquent property taxes. Receivables from other governments are reasonably assured; accordingly, no allowance for uncollectible accounts has been established.

Taxes Receivable

Property taxes are levied in September of each year and become payable on December 20 and June 20 of the following year for real property taxes and December 20 for personal property taxes.

Property taxes attach as an enforceable lien as of December 20 following levy in September. Therefore, no amount has been set aside for an allowance of doubtful accounts. Property taxes not collected before December 1 are classified as deferred inflows of resources.

Capital Assets

The District defines a capital asset as an asset with an initial cost of \$5,000 or more for equipment, \$50,000 or more for land and buildings and an estimated useful life of more than one year. Such assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at estimated fair value on the date of donation.

Capital assets purchased in governmental funds are recorded as expenditures in the governmental fund statements. Interest expense for capital asset construction related to governmental activities is not capitalized. Interest expense incurred during construction of capital assets related to business-type activities is capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

Building, equipment, infrastructure, and other depreciable assets are depreciated using the straight-line method over the following estimated useful lives of 5 to 70 years.

Capital assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

Long-term Obligations

In the government-wide statements and proprietary fund statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums, discounts, and issuance costs are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

**BONNEVILLE COUNTY FIRE PROTECTION DISTRICT #1 - STATE OF IDAHO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2025**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

In the governmental fund financial statements, bond premiums, discounts, and issuance costs are recognized as expenditures in the current period. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. The face amount of debt issued is reported as other financing sources.

Net Position/Fund Balances

The difference between assets and liabilities is net position on the government-wide, proprietary fund, and fiduciary fund statements, and fund balance on the governmental fund statements.

**F. BUDGETS AND BUDGETARY ACCOUNTING**

The Idaho Constitution and the Idaho Department of Revenue and Taxation prescribe the budget process and procedures for governmental subdivisions. The Bonneville County Fire Protection District #1 has satisfied the basic requirements prescribed in the following particulars:

- 1) Formulation of subsequent year budget requirements by internal District officers and personnel.
- 2) Perusal of formulated budgets by the Commissioners and management.
- 3) Presentation of preliminary and final budget requirements in formal news media of the District.
- 4) Open hearings to permit taxpayer input before such budgets are formally adopted.

Subsequent control budgets following adoption is accomplished through a budget-expenditures control system with interim status accounting and reporting made available to officers and employees for management purposes. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP). The District does not maintain a formal encumbrance accounting system.

**G. COMPENSATED ABSENCES AND POST-EMPLOYMENT BENEFITS**

Accumulated unpaid paid time off benefits are not accrued in governmental funds on the modified accrual basis of accounting. At September 30, 2025, unrecorded fund liabilities included approximately \$1,017 of total leave time accumulations and are considered normal to the District operation.

Vacation and compensatory leave are recorded as an expenditure when used in governmental funds and as an expense when earned in the government-wide statements. A liability for unused paid time off is recorded in the government-wide Statement of Net Position.

**BONNEVILLE COUNTY FIRE PROTECTION DISTRICT #1 - STATE OF IDAHO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2025**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**H. REVENUES AND EXPENDITURES/EXPENSES**

Under the modified accrual basis of accounting, revenues are recognized in governmental funds when “measurable and available.” Revenues are considered to be available when they are collected within the current period or expected to be collected soon enough thereafter to pay liabilities of the current period. Bonneville County Fire Protection District #1 considers property tax revenues to be “available” if they are collected within 60 days after year-end. Grants and similar items are recognized as revenue when all eligibility requirements have been met. Expenditure reimbursement that is received within 30 days after year-end will be booked as revenue. All other revenues, including sales taxes, are booked as revenue in the year they are received. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

In proprietary funds and government-wide statements, revenues are recognized when earned.

**I. EXPENDITURE/EXPENSE RECOGNITION**

In governmental funds, expenditures are generally recorded when the related liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Capital asset acquisition and construction are reported as expenditures in the period they are acquired.

In proprietary funds and government-wide statements, expenses are recorded when the related liability is incurred.

Operating expenses for the enterprise fund, if applicable, include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When an expenditure or expense is incurred for purposes for which both restricted and unrestricted resources are available, the District generally uses restricted resources first, then unrestricted resources.

**J. INTERFUND ACTIVITY AND BALANCES**

Government-wide Statements

In general, eliminations have been made to minimize the double-counting of internal activity. There were no interfund receivables or payables at September 30, 2025. During 2025, there were no transfers between governmental and business-type activities.

Governmental Fund Statements

Interfund transactions for goods and services provided and used are reported as revenues and expenditures/expenses in the funds involved. Cash transfers between funds of the District are reported as other financing sources and uses in the governmental fund statements.

**K. USE OF ESTIMATES**

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

**BONNEVILLE COUNTY FIRE PROTECTION DISTRICT #1 - STATE OF IDAHO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2025**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**L. PENSIONS**

For purposes of measuring the net pension liability and pension expense, information about the fiduciary net position of the Public Employee Retirement System of Idaho Base Plan (Base Plan) and additions to/deduction from Base Plan's fiduciary net position have been determined on the same basis as they are reported by the Base Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**2. CASH AND INVESTMENTS**

The District in effect maintains a cash and investment pool that is available for use by all funds. Cash deposits and cash investments by the District as of September 30, 2025 totaled \$8,506,991 of which \$881,410 represents demand and saving deposits (interest bearing) and \$7,625,581 is invested with banks in Certificates of Deposit and government backed securities. Of the total deposits for the District, \$8,506,991 was allocated to governmental funds.

The deposits and simple investments by the District are not collateralized nor are they required to be by Idaho State statute.

Of the total deposits and investments by the District, \$2,250,000 is insured by FDIC and NCUA insurance.

The District follows the requirements of the Idaho Public Depository Law (Idaho Code Section, Title 57-100), and applicable investment rights and restrictions cited by Idaho Code Section, Title 67, 67-1210.

*Custodial Credit Risk-Deposits.* Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of September 30, 2025, \$ 6,259,793 of the government's bank balance of \$8,509,793 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized of \$ 6,259,793 for a total of \$ 6,259,793.

At year end, the District had the following investments and maturities:

Investment Type	Fair Value	< 1 year	1-5 years	> 5 years	Cost	Rating	%
State Investment Pool	\$4,965,951	\$4,965,951	-	-	\$ 4,965,951	Not Rated	65.1%
Certificates of Deposit	2,659,630	2,659,630	-	-	2,659,630	N/A	34.9%
<b>Total Investments</b>	<b>\$7,625,581</b>	<b>\$7,625,581</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,625,581</b>		<b>100.0%</b>

See note 13 for fair value measurement and application.

**BONNEVILLE COUNTY FIRE PROTECTION DISTRICT #1 - STATE OF IDAHO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2025**

**3. CAPITAL ASSETS**

Capital asset activity for the year ended September 30, 2025 was as follows:

	Balance 9/30/2024	Additions	Deletions	Balance 9/30/2025
<b><u>Governmental Activities</u></b>				
Capital assets, not being depreciated				
Land	\$ 549,814	\$ -	\$ -	\$ 549,814
Construction in Progress	48,025	26,781	-	74,806
Total capital assets, not being depreciated	597,839	26,781	-	624,620
Capital assets, being depreciated				
Buildings and improvements	1,666,642	-	-	1,666,642
Machinery and Equipment	3,257,851	494,561	-	3,752,412
Total capital assets, being depreciated	4,924,493	494,561	-	5,419,054
Less accumulated depreciation for				
Buildings and improvements	(339,568)	(34,602)	-	(374,170)
Machinery and equipment	(2,331,496)	(252,262)	-	(2,583,758)
Total accumulated depreciation	(2,671,064)	(286,864)	-	(2,957,928)
Total capital assets, being depreciated, net	2,253,429	207,697	-	2,461,126
Governmental activity, capital assets, net	<u>\$ 2,851,268</u>	<u>\$ 234,478</u>	<u>\$ -</u>	<u>\$ 3,085,746</u>

Depreciation expense was charged to current function of the primary government as follows:

<b><u>Governmental Activities</u></b>	
Public safety	\$ 286,864
Total governmental activities	<u>\$ 286,864</u>

**4. PENSION PLAN**

*Plan Description*

The District contributes to the Base Plan, which is cost-sharing multiple-employer defined benefit pension plan administered by Public Employee Retirement System of Idaho (PERSI or System) that covers substantially all employees of the State of Idaho, its agencies and various participating political subdivisions. The cost to administer the plan is financed through the contributions and investment earnings of the plan. PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at [www.persi.idaho.gov](http://www.persi.idaho.gov).

**BONNEVILLE COUNTY FIRE PROTECTION DISTRICT #1 - STATE OF IDAHO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2025**

**4. PENSION PLAN (Continued)**

*Plan Description (Continued)*

Responsibility for administration of the Base Plan is assigned to the Board comprised of five members appointed by the Governor and confirmed by the Idaho Senate. State law requires that two members of the Board be active Base Plan members with at least ten years of service and three members who are Idaho citizens not members of the Base Plan except by reason of having served on the Board.

*Pension Benefits*

The Base Plan provides retirement, disability, death and survivor benefits of eligible members or beneficiaries. Benefits are based on members' years of service, age, and highest average salary. Members become fully vested in their retirement benefits with five years of credited service (5 months for elected or appointed officials). Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. The annual service retirement allowance for each month of credited service is 2.0% (2.3% for police/firefighters) of the average monthly salary for the highest consecutive 42 months.

The benefit payments for the Base Plan are calculated using a benefit formula adopted by the Idaho Legislature. The Base Plan is required to provide a 1% minimum cost of living increase per year provided the Consumer Price Index increases 1% or more. The PERSI Board has the authority to provide higher cost of living increases to a maximum of the Consumer Price Index movement of 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 72% for police and firefighters. As of June 30, 2025 it was 7.18% for general employees and 10.36% for police and firefighters. The employer contribution rate of covered payroll is set by the Retirement Board and was 11.96% for general employees and 13.98% for police and firefighters. The District's contributions were \$178,892 for the year ended June 30, 2025.

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

At September 30, 2025, the District reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2025, 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, 2025, the District's proportion was 0.02909117 percent.

For the year ended September 30, 2025, the District recognized pension expense (revenue) of \$231,174. At September 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**BONNEVILLE COUNTY FIRE PROTECTION DISTRICT #1 - STATE OF IDAHO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2025**

**4. PENSION PLAN (Continued)**

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

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 132,565	\$ -
Changes in assumptions or other inputs	(123,704)	-
Net difference between projected and actual earnings on pension plan investments	(180,839)	-
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	97,427	-
City contributions subsequent to the measurement date	52,377	-
<b>Total</b>	<b>\$ (22,174)</b>	<b>\$ -</b>

\$52,377 reported as deferred outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date and 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, 2025 the beginning of the measurement period ended June 30, 2024 is 4.4 and 4.4 for the measurement period June 30, 2025.

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

<b><u>Year ended September 30:</u></b>	
2026	120,315
2027	(117,571)
2028	(107,592)
2029	(67,130)

*Actuarial Assumptions*

Valuations are based on actuarial assumptions, the benefit formulas, and employee groups. Level percentages of payroll normal costs are determined using the Entry Age Normal Cost Method. Under the Entry Age Normal Cost Method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated as a level percentage of each year's earnings of the individual between entry age and assumed exit age. The Base Plan amortizes any unfunded actuarial accrued liability based on a level percentage of payroll. The maximum amortization period for the Base Plan permitted under Section 59-1322, Idaho Code, is 25 years.

**BONNEVILLE COUNTY FIRE PROTECTION DISTRICT #1 - STATE OF IDAHO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2025**

**4. PENSION PLAN (Continued)**

*Actuarial Assumptions (Continued)*

The total pension liability in the June 30, 2025 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary increases	3.15%
Salary inflation	3.15%
Investment rate of return (net of investment expenses)	6.55%
Cost-of-living adjustments	1.00%

*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%
Disabled Members – Males Pub-2010 Disabled Tables, increased 38%
Disabled Members – Females Pub-2010 Disabled Tables, increased 36%

An experience study was performed for the period July 1, 2015 through June 30, 2020 which reviewed all economic and demographic assumptions other than mortality. The Total Pension Liability as of June 30, 2025 is based on the results of an actuarial valuation date of July 1, 2025.

The long-term expected rate of return on pension plan investments was determined using the building block approach and a forward-looking model in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Even though history provides a valuable perspective for setting the investment return assumption, the System relies primarily on the 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 the System's assets.

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are as of 2025.

**BONNEVILLE COUNTY FIRE PROTECTION DISTRICT #1 - STATE OF IDAHO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2025**

**4. PENSION PLAN (Continued)**

*Actuarial Assumptions Continued*

Asset Class	2025
Cash	0.00%
Fixed Income	30.00%
US/Global Equity	55.00%
International Equity	15.00%
Total	100.00%

*Discount Rate*

The discount rate used to measure the total pension liability was 6.55%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate. Based on these assumptions, the pension plans' net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return was determined net of pension plan investment expense but without reduction for pension plan administrative expense.

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

The following presents the Employer's proportionate share of the net pension liability calculated using the discount rate of 6.55%, as well as what the Employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.55%) or 1-percentage-point higher (7.55%) than the current rate:

	1% Decrease (5.55%)	Current Discount Rate (6.55%)	1% Increase (7.55%)
Employer's net pension liability (asset)	\$ 1,692,557	\$ 703,472	\$ (104,567)

**BONNEVILLE COUNTY FIRE PROTECTION DISTRICT #1 - STATE OF IDAHO  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended September 30, 2025**

**4. PENSION PLAN (Continued)**

*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](http://www.persi.idaho.gov).

*Payables to the pension plan*

At September 30, 2025, the District reported payables to the defined benefit pension plan of \$0 for legally required employer contributions and \$0 for legally required employee contributions which had been withheld from employee wages but not yet remitted to PERSI.

**5. RELATED PARTY TRANSACTIONS**

The District has not been directly involved in related party transactions that would violate the Idaho Code or Federal Regulations.

**6. MATERIAL VIOLATION OF FINANCE-RELATED LEGAL AND CONTRACTUAL PROVISIONS**

There are no known violations of direct finance-related legal and contractual provisions.

**7. RISK MANAGEMENT**

Bonneville County Fire Protection District #1 is exposed to a considerable number of risks of loss, including : a) damage to and loss of property and contents; b) employee tort; c) professional liability, i.e. errors and omissions; d) environmental damage; e) workers' compensation, i.e. employee injuries; and f) medical insurance costs of employees. Commercial policies, transferring the risk of loss, except for relatively small deductible amounts, are purchased for property and content damage, employee torts, and professional liabilities. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years. There has not been any significant reduction in coverage from that of the previous year.

**8. DEFICITS AND INTERFUND TRANSACTIONS**

There were no deficit fund balances as of September 30, 2025.

There were no interfund account balances at September 30, 2025.

**BONNEVILLE COUNTY FIRE PROTECTION DISTRICT #1 - STATE OF IDAHO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2025**

**9. INTERFUND TRANSFERS**

There were no interfund transfers.

**10. SUBSEQUENT EVENTS**

There are no known subsequent events that will have a material impact on the operation of the District. Subsequent events have been considered through the report date of April 9, 2026.

**11. NONSPENDABLE AND SPENDABLE FUND BALANCES**

Fund balance is separated into nonspendable and spendable balance. Nonspendable fund balance includes amounts that cannot be spent because they are either: (1) not in spendable form; or (2) legally or contractually required to be maintained intact. Spendable amounts are classified into restricted, committed, assigned and unassigned. The following is a list of nonspendable and spendable fund balance designations for the District.

*Unassigned.* This fund balance is not assigned to any specific purpose. The District will use the unassigned fund balance for expenditures in the subsequent fiscal year.

**12. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES**

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expenses/expenditure) until then. The District did not have any deferred outflows of resources.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, 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 did not have any deferred inflows of resources for the Statement of Net Position. The District has one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from property taxes. This amount is deferred and recognized as an inflow of resources in the period that amounts become available. Deferred inflows of resources at September 30, 2025 consisted of \$73,282 in governmental funds.

**BONNEVILLE COUNTY FIRE PROTECTION DISTRICT #1 - STATE OF IDAHO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2025**

**13. FAIR VALUE**

GASB Statements No. 72, *Fair Value Measurement and Application*, (Statement 72) specifies a hierarchy of valuation classifications based on whether the inputs to the valuation techniques used in each valuation classification are observable or unobservable. These classifications are summarized in the three broad levels listed below:

Level 1 – Unadjusted quoted prices for identical instruments in active markets, that the reporting entity has the ability to access at the measurement date.

Level 2 – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are directly or indirectly observable. Examples would be matrix pricing, market corroborated pricing and inputs such as yield curves and indices.

Level 3 – Valuations derived from valuation techniques in which significant inputs or significant value drivers are unobservable and may rely on the reporting entity’s own assumptions, but the market participant’s assumptions that may be used in pricing the asset or liability.

Inputs used to measure fair value might fall in different levels of the fair value hierarchy, in which case the County defaults to the lowest level input that is significant to the fair value measurement in its entirety. These levels are not necessarily an indication of the risk or liquidity associated with the investments.

The following table presents fair value measurements as of September 30, 2025:

	9/30/2025	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Instruments by fair value level</b>				
<b>Fixed income Securities:</b>				
State Investment Pool	\$ 4,965,951	\$ -	\$ -	\$ 4,965,951
Certificates of Deposit	2,659,630	-	2,659,630	-
<b>Total investments by fair value level</b>	<b>\$ 7,625,581</b>	<b>\$ -</b>	<b>\$ 2,659,630</b>	<b>\$ 4,965,951</b>

**14. AMMON ANNEXATION**

The City of Ammon fire department has been annexed into the District. This annexation has improved response times of emergency personnel without increasing the tax burden to its citizens.

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**REQUIRED SUPPLEMENTARY INFORMATION**

**BONNEVILLE COUNTY FIRE PROTECTION DISTRICT #1-STATE OF IDAHO**  
**BUDGET AND ACTUAL (WITH VARIANCES)**  
**GENERAL FUND**  
**For the year ended September 30, 2025**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u> <u>BUDGETARY</u> <u>BASIS</u>	<u>FINAL BUDGET-</u> <u>POSITIVE</u> <u>(NEGATIVE)</u>
<b>REVENUES</b>				
Taxes	\$ 4,139,655	\$ 4,139,655	\$ 4,492,036	\$ 352,381
Licenses and permits	-	-	-	-
Contract services	-	-	-	-
Grant proceeds	-	-	-	-
Miscellaneous	179,319	179,319	239,199	59,880
Investment interest	330,000	330,000	367,522	37,522
	<u>4,648,974</u>	<u>4,648,974</u>	<u>5,098,757</u>	<u>449,783</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	-
Public safety	4,548,974	4,548,974	4,420,086	128,888
Public health	-	-	-	-
Street and public improvement	-	-	-	-
Parks, recreation, public property	-	-	-	-
Conservation/Economic development	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	100,000	530,000	526,146	3,854
	<u>4,648,974</u>	<u>5,078,974</u>	<u>4,946,232</u>	<u>132,742</u>
Revenues over (under) expenditures	-	(430,000)	152,525	582,525
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
<b>SPECIAL ITEM</b>				
Proceeds from sale of assets	-	-	-	-
Net change in fund balances	-	(430,000)	152,525	582,525
Fund Balances, October 1, 2024	<u>8,260,311</u>	<u>8,260,311</u>	<u>8,260,311</u>	<u>-</u>
<b>FUND BALANCES, SEPT. 30, 2025</b>	<u>\$ 8,260,311</u>	<u>\$ 7,830,311</u>	<u>\$ 8,412,836</u>	<u>\$ 582,525</u>

**BONNEVILLE COUNTY FIRE PROTECTION DISTRICT #1 – STATE OF IDAHO**  
**NOTES TO BUDGET AND ACTUAL COMPARISON SCHEDULES**  
**For the Year Ended September 30, 2025**

**1. BASIS OF PRESENTATION**

The budget to actual comparison schedule has been prepared on the basis consistent with accounting principles generally accepted in the United States of America (GAAP).

**2. EXCESS OF ACTUAL EXPENDITURES OVER BUDGET**

For the year ended September 30, 2025, actual expenditures did not exceed budgeted amounts in the General Fund.

**BONNEVILLE COUNTY FIRE PROTECTION DISTRICT #1 – STATE OF IDAHO  
 SCHEDULE OF EMPLOYER’S SHARE OF NET PENSION LIABILITY PERSI – BASE PLAN  
 LAST 10 – FISCAL YEARS\***

<b>PERSI BASE PLAN</b>					
<u>Fiscal Year</u>	<u>Employer's portion of net pension liability</u>	<u>Employer's proportionate share of the net pension liability</u>	<u>Employer's covered employee payroll</u>	<u>Employer's proportional share of the net pension liability as a percentage of its covered payroll</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
2021	0.00964010%	\$ (7,614)	\$ 358,298	(2.12%)	100.36%
2022	0.01745726%	\$ 687,599	\$ 685,466	100.31%	83.09%
2023	0.02203068%	\$ 879,172	\$ 932,919	94.24%	83.83%
2024	0.02479456%	\$ 927,476	\$ 1,133,948	81.79%	85.54%
2025	0.02909117%	\$ 703,472	\$ 1,387,836	50.69%	90.89%

\*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 use for which information is available.

Data reported is measured as of June 30.

**BONNEVILLE COUNTY FIRE PROTECTION DISTRICT #1 – STATE OF IDAHO  
 SCHEDULE OF EMPLOYER CONTRIBUTIONS PERSI – BASE PLAN  
 LAST 10 – FISCAL YEARS\***

<b>PERSI BASE PLAN</b>					
<u>Fiscal Year</u>	<u>Statutorily Required Contribution</u>	<u>Contribution in Relation to the Statutorily Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contribution as a % of Covered Payroll</u>
2021	\$ 38,062	\$ 43,472	\$ (5,410)	\$ 358,298	12.13%
2022	\$ 83,169	\$ 83,169	\$ -	\$ 728,218	11.42%
2023	\$ 113,200	\$ 113,200	\$ -	\$ 972,076	11.65%
2024	\$ 145,200	\$ 137,463	\$ -	\$ 1,127,458	12.19%
2025	\$ 194,664	\$ 180,898	\$ -	\$ 1,356,839	13.33%

\*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 City will present information for those use for which information is available.

Data is reported is measured as of September 30.

**BONNEVILLE COUNTY FIRE PROTECTION DISTRICT #1 – STATE OF IDAHO  
 NOTES TO PERSI PLAN SCHEDULES  
 For the Year Ended September 30, 2025**

**Methods and Assumptions Used in Calculations of Actuarially Determined Contributions**

The actuarially determined contribution rates in the employer’s contributions are calculated as of June 30, 2025. The following actuarial methods and assumptions were used to determine contribution rates reported in that schedule.

	<b>PERSI Base Plan</b>
Valuation date	June 30, 2025
Actuarial cost method	Entry age normal
Amortization method	Level percentage of projected payroll open
Remaining amortization period	8.2 years
Asset valuation method	Fair Market value
 <u>Actuarial assumptions:</u>	
Investment Rate of Return *	6.55%
Projected salary increases including inflation	3.15%
Postretirement benefit increase	1.00%
Implied price inflation rate	2.40%
Discount Rate – Actuarial Accrued Liability	6.55%

\* net of investment expenses

**SUPPLEMENTARY INFORMATION**

**BONNEVILLE COUNTY FIRE PROTECTION DISTRICT #1-STATE OF IDAHO  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND  
For the Year Ended September 30, 2025**

	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
Taxes	\$ 4,139,655	\$ 4,492,036	\$ 352,381
Interest on investments	330,000	367,522	37,522
Contract services	-	-	-
Grant proceeds	-	-	-
Miscellaneous	179,319	239,199	59,880
<b>TOTAL REVENUES</b>	<b>4,648,974</b>	<b>5,098,757</b>	<b>449,783</b>
<b>EXPENDITURES</b>			
Public Safety			
Wages & PR taxes	2,343,160	2,152,223	190,937
Advertising	10,000	10,289	(289)
Auto fuel & oil	-	24,657	(24,657)
Clothing and PPE	-	26,199	(26,199)
Dues and subscriptions	5,000	1,987	3,013
Repairs and maintenance	89,000	95,368	(6,368)
Office	-	409	(409)
Supplies	65,000	66,154	(1,154)
Insurance	25,000	33,710	(8,710)
IT	76,000	67,554	8,446
Utilities	25,000	26,386	(1,386)
Contract-City of Idaho Falls	1,748,314	1,748,314	-
Legal and professional	155,000	146,726	8,274
Miscellaneous	-	2,501	(2,501)
Taxes	-	1,248	(1,248)
Training and certification	7,500	14,558	(7,058)
Contract Services - Fires	-	1,803	(1,803)
Capital outlay	530,000	526,146	3,854
<b>TOTAL EXPENDITURES</b>	<b>5,078,974</b>	<b>4,946,232</b>	<b>132,742</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(430,000)</b>	<b>152,525</b>	<b>582,525</b>
<b>SPECIAL ITEM</b>			
Proceeds from sale of assets	-	-	-
Net change in fund balance	\$ (430,000)	152,525	\$ 582,525
<b>FUND BALANCE - October 1, 2024</b>		<b>8,260,311</b>	
<b>FUND BALANCE - September 30, 2025</b>		<b>\$ 8,412,836</b>	

**OTHER SUPPLEMENTARY INFORMATION**

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**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***

The Honorable Board of Commissioners  
Bonneville County Fire Protection District #1  
Idaho Falls, Idaho

We have audited, 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, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Bonneville County Fire Protection District #1, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated April 6, 2026.

***Report on Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered Bonneville County Fire Protection District #1's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Bonneville County Fire Protection District #1's internal control. Accordingly, we do not express an opinion on the effectiveness of Bonneville County Fire Protection District #1'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.

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether Bonneville County Fire Protection District #1's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed



no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

*Searle Hart & Associates PLLC*

Rexburg, Idaho  
April 6, 2026

