

BOARD OF TRUSTEES REGULAR PUBLIC MEETING

DATE: DECEMBER 16, 2025

TIME: 7:00 p.m.

LOCATION: Sourdough Fire Station, 4541 S. 3rd Rd., Bozeman, MT

CALL TO ORDER OF HYALITE RURAL FIRE DISTRICT

Reminder to the public that meetings are being recorded.

PUBLIC COMMENT ON MATTERS NOT INCLUDED IN THE AGENDA

HYALITE CONSENT AGENDA

1. Approval of Financial Reports
2. Approval of Warrants
3. Approval of November 18, 2025 Meeting Synopsis

REGULAR AGENDA

1. Volunteer Firefighters Association Report – *Standing Agenda Item*
2. Discussion and Decision – Signing of Contract with Jeni Lorash, CPA
3. Discussion and Decision - Hiring of 3rd Party for District Research
4. Discussion – Replacement of Rae Fire Station – *Standing Agenda Item*
5. Fire Chief's Report
6. Trustees' Activities
7. Announcements

ADJOURNMENT

This notice is posted on the door of the Administrative Building of the Sourdough Fire Station, the Rae Fire Station, and the Cottonwood Fire Station, and is posted on the Hyalite website and/or Facebook Page at least 48 hours prior to the meeting. Notice of the meeting is published in the Bozeman Daily Chronicle at least 48 hours prior to the meeting.

CONSENT AGENDA

December 16, 2025



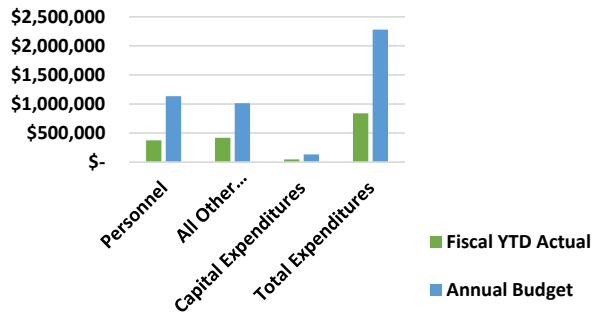
Dashboard for November 2025

At a glance...

	Current month*	Prior year		Calendar YTD
General Fund Cash Balance*	\$ 136,184	\$ 540,428	Number of Calls	372
Taxes Receivable*	\$ 2,110,358	\$ 1,962,502	Number of Volunteers	35
Accounts Payable	\$ 19,277	\$ 209,912	Number of Training Sessions	128
			Number of Training Hours	3,256

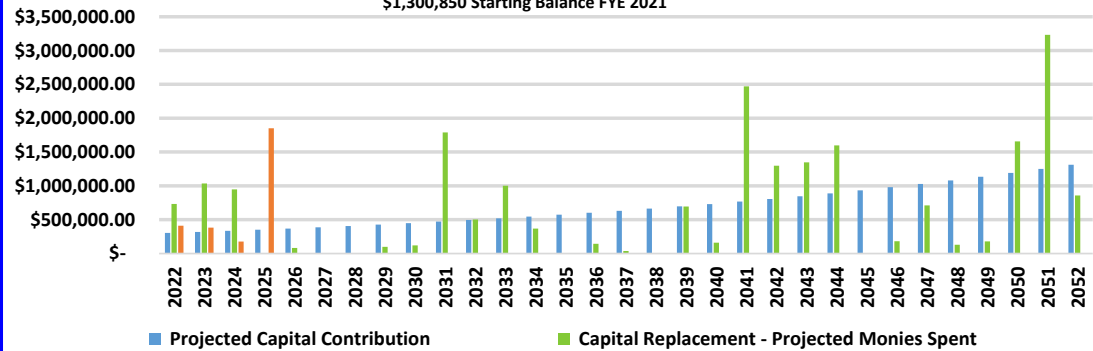
NOTE: The inconsistent nature of our cash flows dictates that we maintain a minimum cash balance of \$400,000.

Budgetary Comparisons - for year to date

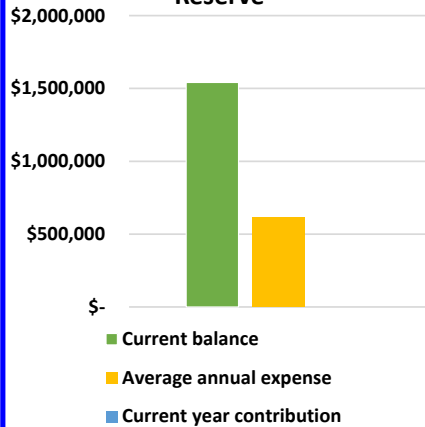


Capital Replacement Schedule

\$1,300,850 Starting Balance FYE 2021



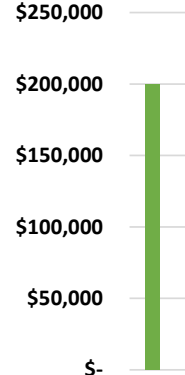
Apparatus and Equipment Reserve



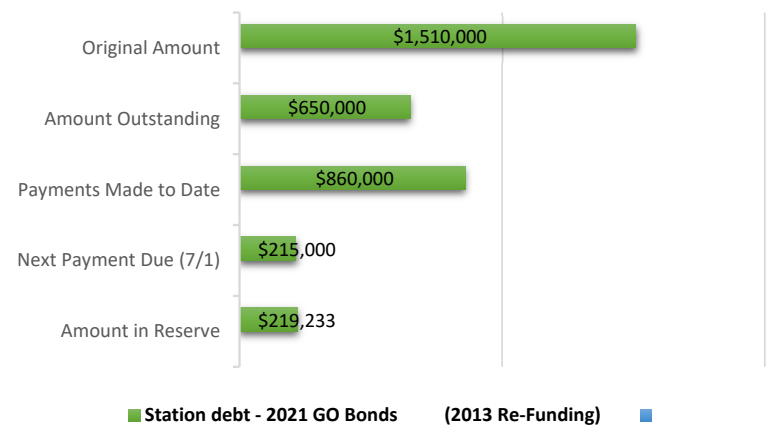
Capital Improvement Reserve



Operational Contingency Fund



Station Debt



Hyalite Rural Fire District

Statement of Financial Position

As of November 30, 2025

	TOTAL	
	AS OF NOV 30, 2025	AS OF NOV 30, 2024 (PY)
ASSETS		
Current Assets		
Bank Accounts	\$2,446,395	\$3,125,401
Accounts Receivable	\$6	\$0
Other Current Assets	\$2,303,198	\$2,157,871
Total Current Assets	\$4,749,599	\$5,283,272
Fixed Assets		
180000 Capital Assets	3,348,413	3,653,783
Total Fixed Assets	\$3,348,413	\$3,653,783
TOTAL ASSETS	\$8,098,012	\$8,937,055
LIABILITIES AND EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable	\$19,277	\$209,912
Credit Cards	\$1,639	\$2,897
Other Current Liabilities	\$99,129	\$58,044
Total Current Liabilities	\$120,045	\$270,852
Long-Term Liabilities	\$1,286,879	\$1,275,778
Total Liabilities	\$1,406,924	\$1,546,630
Equity		
241000 Unrestricted Fund Balance	553,329	1,265,785
241001 General fixed asset acct group	3,710,898	4,016,268
241002 General LT debt account group	(1,294,515)	(1,283,414)
241003 Nonspendable Fund Balance	31,567	24,369
241100 Reserved Fund Balance	2,310,210	2,584,974
241200 Assigned to vol firefighters	0	9,168
Net Revenue	1,379,598	773,275
Total Equity	\$6,691,088	\$7,390,425
TOTAL LIABILITIES AND EQUITY	\$8,098,012	\$8,937,055

Note

FS disclaimer: This financial statement has not been subjected to an audit, review or compilation engagement, and no assurance is provided on it.

Hyalite Rural Fire District

Budget vs. Actuals: FY 2025-2026 - FY26 P&L

July - November, 2025

		TOTAL	
	ACTUAL	BUDGET	% OF BUDGET
Revenue			
310000 Taxes	2,098,131	2,365,436	89.00 %
315000 On-behalf payment from State		127,000	
316000 Entitlement Share	45,662	45,187	101.00 %
320000 Firefighter fundraising event	6,900	0	
350000 Ambulance Transportation	21,549	40,000	54.00 %
360000 Miscellaneous Revenues	11,913	5,000	238.00 %
365000 Contributions and Donations		1,000	
370000 Investment Earnings	35,012	80,000	44.00 %
Total Revenue	\$2,219,168	\$2,663,623	83.00 %
GROSS PROFIT	\$2,219,168	\$2,663,623	83.00 %
Expenditures			
420000 Public Safety Expenses	23,926	61,000	39.00 %
420100 Personnel Services	374,205	1,134,276	33.00 %
420200 Supplies	20,665	32,000	65.00 %
420220 Meals/Incentives	18,886	106,000	18.00 %
420240 Fuel	24,312	50,000	49.00 %
420310 Election Costs		7,000	
420320 Professional Subscription/Dues	24,161	21,000	115.00 %
420330 Community Outreach/Education	3,314	15,000	22.00 %
420340 Utility Services	21,491	70,000	31.00 %
420350 Professional Services	36,648	66,000	56.00 %
420390 Firefighter Physicals	3,252	27,500	12.00 %
420400 Training/Travel - Trustees		2,000	
420420 Facilities	21,603	25,000	86.00 %
420500 Insurance	38,526	90,000	43.00 %
420930 Safety Equipment	140,668	100,000	141.00 %
420940 Apparatus	40,986	120,000	34.00 %
420970 Capital outlay	46,925	132,000	36.00 %
490100 Debt Service		219,233	
669100 Other Charges		500	
Total Expenditures	\$839,569	\$2,278,509	37.00 %
NET OPERATING REVENUE	\$1,379,598	\$385,114	358.00 %
NET REVENUE	\$1,379,598	\$385,114	358.00 %

Note

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Hyalite Rural Fire District

Transaction List by Vendor

November 2025

DATE	TRANSACTION TYPE	NUM	POSTING	MEMO/DESCRIPTION	ACCOUNT	AMOUNT
Adobe						
11/13/2025	Expenditure		Yes	Adobe Inc	210570 Costco Citi Card - Nickolay 7029	9.99
11/17/2025	Expenditure		Yes	Adobe Inc	210570 Costco Citi Card - Nickolay 7029	19.99
AHA ShopCPR						
11/09/2025	Expenditure		Yes	AMERICAN HEART SHOPCPR 888-242-8883 TX	210585 Costco Citi Card - Malone 5334	111.00
Albertsons						
11/11/2025	Expenditure		Yes	ALBERTSONS #0006 BOZEMAN MT	210605 First Interstate Bank - Dahlhauser 4865	51.48
Allie Kuntz						
11/06/2025	Bill	Sept 25 Call Response	Yes		202100 Accounts Payable	680.00
11/10/2025	Bill Payment (Check)	7806206	Yes		101000 Cash/Investments:General Fund	-680.00
Amatics						
11/10/2025	Bill Payment (Check)	7806202	Yes		101000 Cash/Investments:General Fund	-3,000.00
11/19/2025	Bill	83026	Yes	Hubdoc - https://app.hubdoc.com/document/836656430 - INV83026	202100 Accounts Payable	5,000.00
Amazon						
11/05/2025	Expenditure		Yes	AMAZON MARK* NK9HL3R71 SEATTLE WA	210605 First Interstate Bank - Dahlhauser 4865	109.10
Amazon Capital Services						
11/04/2025	Bill	1HG4-W4F3-DC3C	Yes	Hubdoc - https://app.hubdoc.com/document/824079595 - INV1HG4-W4F3-DC3C	202100 Accounts Payable	10.44
11/05/2025	Bill	1JRG-K397-FNT3	Yes	Hubdoc - https://app.hubdoc.com/document/824079582 - INV1JRG-K397-FNT3	202100 Accounts Payable	42.94
11/10/2025	Bill Payment (Check)	7806198	Yes		101000 Cash/Investments:General Fund	-53.38
11/20/2025	Bill	1N9C-F3G1-CQ6T	Yes	Hubdoc - https://app.hubdoc.com/document/836656428 - INV1N9C-F3G1-CQ6T	202100 Accounts Payable	45.27
Anna French						
11/25/2025	Bill	EMT Reimb. 2025	Yes	Hubdoc - https://app.hubdoc.com/document/836656448 - INVEMT Reimb. 2025	202100 Accounts Payable	1,000.00
Big Sky Publishing						
11/10/2025	Bill Payment (Check)	7806205	Yes		101000 Cash/Investments:General Fund	-22.00
11/30/2025	Bill	112527299	Yes	Hubdoc - https://app.hubdoc.com/document/836656440 - INV112527299	202100 Accounts Payable	22.00
BlueCross BlueShield of Montana						
11/01/2025	Bill	X6A680/11.1.25	Yes	Hubdoc - https://app.hubdoc.com/document/809600693 - INVX6A680/11.1.25	202100 Accounts Payable	5,057.26
11/18/2025	Bill Payment (Check)	7806213	Yes		101000 Cash/Investments:General Fund	-5,057.26
Bound Tree Medical						
11/01/2025	Bill	ACCT 201291/11-01-25	Yes	Hubdoc - https://app.hubdoc.com/document/824079616 - INVACCT 201291/11-01-25	202100 Accounts Payable	979.42
11/10/2025	Bill Payment (Check)	7806194	Yes		101000 Cash/Investments:General Fund	-979.42
Breathing Air Systems						
11/07/2025	Expenditure		Yes	Breathing Air Systems	210580 Costco Citi Card - Prato 6073	54.00
Charter Communications - Palatine IL						
11/08/2025	Bill	0431151110825	Yes	Hubdoc - https://app.hubdoc.com/document/828579097 - INV0431151110825	202100 Accounts Payable	155.00
11/18/2025	Bill Payment (Check)	7806216	Yes		101000 Cash/Investments:General Fund	-155.00
Citi Card						
11/18/2025	Bill	3990/11-18-2025	Yes	Hubdoc - https://app.hubdoc.com/document/836656457 - INV3990/11-18-2025	202100 Accounts Payable	5,606.02

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Hyalite Rural Fire District

Transaction List by Vendor

November 2025

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11/01/2025	Bill	INV764537	Yes	Hubdoc - https://app.hubdoc.com/document/828579090 - INVINV764537	202100 Accounts Payable	90.77
11/18/2025	Bill Payment (Check)	7806214	Yes		101000 Cash/Investments:General Fund	-90.77
Colton Rue-Zindell						
11/06/2025	Bill	Sept 25 Call Response	Yes		202100 Accounts Payable	440.00
11/10/2025	Bill Payment (Check)	7806193	Yes		101000 Cash/Investments:General Fund	-440.00
Connect Telephone and Computer Group						
11/01/2025	Bill	INV301629	Yes	Hubdoc - https://app.hubdoc.com/document/824079598 - INVINV301629	202100 Accounts Payable	60.00
11/10/2025	Bill Payment (Check)	7806203	Yes		101000 Cash/Investments:General Fund	-60.00
Conoco						
11/21/2025	Expenditure		Yes	Card Replacement Fee	210100 Conoco	2.00
Conterra, Inc.						
11/06/2025	Expenditure		Yes	SP Conterra Inc	210580 Costco Citi Card - Prato 6073	138.91
Costco Wholesale						
11/01/2025	Expenditure		Yes	COSTCO WHSE #0096	210580 Costco Citi Card - Prato 6073	65.00
11/05/2025	Expenditure		Yes		210565 Costco Citi Card - Trautmann 5893	228.88
11/10/2025	Expenditure		Yes	COSTCO WHSE #0096	210580 Costco Citi Card - Prato 6073	258.04
11/15/2025	Expenditure		Yes		210580 Costco Citi Card - Prato 6073	88.76
Delta						
11/11/2025	Expenditure		Yes	DELTA BOZEMAN MT 00642522376473 NICKOLAY/BRIAN BZN / XAE DL X O	210600 First Interstate Bank - Nickolay 4857	35.00
11/18/2025	Expenditure		Yes	DELTA TAMPA FL 00642532959515 NICKOLAY/BRIAN TPA / DL X O	210600 First Interstate Bank - Nickolay 4857	35.00
Delta Dental						
11/01/2025	Bill	17272-51213/11- 01-25	Yes	Hubdoc - https://app.hubdoc.com/document/805016970 - INV17272-51213/11-01-25	202100 Accounts Payable	264.18
11/10/2025	Bill Payment (Check)	7806186	Yes		101000 Cash/Investments:General Fund	-226.44
Drink LMNT, INC.						
11/09/2025	Expenditure		Yes	SP DRINK LMNT INC. CART.DRINKLMNMT	210585 Costco Citi Card - Malone 5334	270.00
Evan Jones						
11/06/2025	Bill	Sept 25 Call Response	Yes		202100 Accounts Payable	600.00
11/10/2025	Bill Payment (Check)	7806195	Yes		101000 Cash/Investments:General Fund	-600.00
Fisher's Technology						
11/06/2025	Bill	1581569	Yes	Hubdoc - https://app.hubdoc.com/document/824079596 - INV1581569	202100 Accounts Payable	166.84
11/10/2025	Bill Payment (Check)	7806190	Yes		101000 Cash/Investments:General Fund	-166.84
FURS						
11/10/2025	Check		Yes		101000 Cash/Investments:General Fund	- 14,640.49
General Distributing Co.						
11/20/2025	Bill	0001573381	Yes	Hubdoc - https://app.hubdoc.com/document/836656436 - INV0001573381	202100 Accounts Payable	288.00
Google						
11/02/2025	Expenditure		Yes	Google GSUITE hyalitef Mountain View CA	210605 First Interstate Bank - Dahlhauser 4865	316.80
Grace Bible Church						
11/18/2025	Bill	4572873	Yes	Hubdoc - https://app.hubdoc.com/document/828579089 - INV4572873	202100 Accounts Payable	200.00

Hyalite Rural Fire District

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11/18/2025	Bill Payment (Check)	7806217	Yes		101000 Cash/Investments:General Fund	-200.00
Heiman Fire Equipment						
11/10/2025	Bill Payment (Check)	7806204	Yes		101000 Cash/Investments:General Fund	-204.00
11/19/2025	Bill	0948751-IN	Yes	Hubdoc - https://app.hubdoc.com/document/836656431 - INV0948751-IN	202100 Accounts Payable	265.82
11/19/2025	Bill	0948750-IN	Yes	Hubdoc - https://app.hubdoc.com/document/836656432 - INV0948750-IN	202100 Accounts Payable	123.82
Hilton						
11/19/2025	Expenditure		Yes	HILTON CLEARWATER CLEARWATER BE FL 149274 7274613222 ARRIVAL 11/12/25 DEPART 11/17/25	210600 First Interstate Bank - Nickolay 4857	1,131.27
Industrial Comm & Elec of Bozeman						
11/03/2025	Bill	35378	Yes	Hubdoc - https://app.hubdoc.com/document/824079603 - INV35378	202100 Accounts Payable	273.00
11/10/2025	Bill Payment (Check)	7806182	Yes		101000 Cash/Investments:General Fund	-273.00
J&V Restaurant Supply						
11/18/2025	Expenditure		Yes	J&V RESTAURANT SUPPLY BOZEMAN MT	210605 First Interstate Bank - Dahlhauser 4865	2.07
JA Gear						
11/12/2025	Bill	158307	Yes	Hubdoc - https://app.hubdoc.com/document/836656437 - INV158307	202100 Accounts Payable	566.00
Jack Vincent						
11/06/2025	Bill	Sept 25 Call Response	Yes		202100 Accounts Payable	460.00
11/10/2025	Bill Payment (Check)	7806187	Yes		101000 Cash/Investments:General Fund	-460.00
Jersey Mike's						
11/01/2025	Expenditure		Yes	JERSEY MIKES ONLINE UC https://prod.NJ	210575 Costco Citi Card - Templeton 8353	135.40
Kate Brownell						
11/06/2025	Bill	Sept 25 Call Response	Yes		202100 Accounts Payable	460.00
11/10/2025	Bill Payment (Check)	7806208	Yes		101000 Cash/Investments:General Fund	-460.00
L.N. Curtis and Sons						
11/10/2025	Bill Payment (Check)	7806210	Yes		101000 Cash/Investments:General Fund	-2,804.20
11/19/2025	Bill	INV1011132	Yes	Hubdoc - https://app.hubdoc.com/document/836656441 - INVINV1011132	202100 Accounts Payable	3,934.42
Mastercard						
11/21/2025	Bill	4857/11-21-2025	Yes	Hubdoc - https://app.hubdoc.com/document/836656452 - INV4857/11-21-2025	202100 Accounts Payable	1,476.83
Metta Trautmann						
11/13/2025	Check	7806212	Yes		101000 Cash/Investments:General Fund	-1,566.40
Montana Dept. of Revenue						
11/10/2025	Check		Yes		101000 Cash/Investments:General Fund	-2,335.00
Montana Firemen's Association						
11/10/2025	Check	7806179	Yes		101000 Cash/Investments:General Fund	-599.04
Montana State Fire Chiefs Association						
11/28/2025	Deposit		Yes	Reimbursement for Brian attendance at Force conference in Oregon	101000 Cash/Investments:General Fund	1,674.07
Montana State Fund						
11/28/2025	Deposit		Yes	2024 Dividend	101000 Cash/Investments:General Fund	5,113.32

Hyalite Rural Fire District

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Mr. Burritos						
11/16/2025	Expenditure		Yes	SQ *MR. BURRITOS Bozeman MT	210585 Costco Citi Card - Malone 5334	147.41
NAPA Auto Parts						
11/01/2025	Bill	12342/10-31-2025	Yes	Hubdoc - https://app.hubdoc.com/document/824079610 - INV12342/10-31-2025	202100 Accounts Payable	613.92
11/10/2025	Bill Payment (Check)	7806211	Yes	12342	101000 Cash/Investments:General Fund	-613.92
Nicholas Blommel						
11/06/2025	Bill	Sept 25 Call Response	Yes		202100 Accounts Payable	360.00
11/10/2025	Bill Payment (Check)	7806201	Yes		101000 Cash/Investments:General Fund	-360.00
Northwestern Energy						
11/07/2025	Bill	0180737-9/11-07-2025	Yes	Hubdoc - https://app.hubdoc.com/document/824079607 - INV0180737-9/11-07-2025	202100 Accounts Payable	181.15
11/07/2025	Bill	1196979-7/11-07-2025	Yes	Hubdoc - https://app.hubdoc.com/document/824079608 - INV1196979-7/11-07-2025	202100 Accounts Payable	747.16
11/07/2025	Bill	3252724-4/11-07-2025	Yes	Hubdoc - https://app.hubdoc.com/document/824079611 - INV3252724-4/11-07-2025	202100 Accounts Payable	165.02
11/07/2025	Bill	3091809-8/11-07-2025	Yes	Hubdoc - https://app.hubdoc.com/document/824079618 - INV3091809-8/11-07-2025	202100 Accounts Payable	854.00
11/10/2025	Bill	0180089-5/11-10-2025	Yes	Hubdoc - https://app.hubdoc.com/document/824140466 - INV0180089-5/11-10-2025	202100 Accounts Payable	189.58
11/10/2025	Bill Payment (Check)	7806185	Yes		101000 Cash/Investments:General Fund	-2,136.91
Owenhouse-Ace Hardware						
11/27/2025	Bill	191619/11-27-2025	Yes	Hubdoc - https://app.hubdoc.com/document/836656451 - INV191619/11-27-2025	202100 Accounts Payable	348.39
Paige Manua						
11/06/2025	Bill	Sept 25 Call Response	Yes		202100 Accounts Payable	500.00
11/10/2025	Bill Payment (Check)	7806188	Yes		101000 Cash/Investments:General Fund	-500.00
Papa Johns						
11/11/2025	Expenditure		Yes	PAPA JOHN'S 2792 BOZEMAN MT	210605 First Interstate Bank - Dahlhauser 4865	193.74
People Facts						
11/01/2025	Bill	2025100544	Yes	Hubdoc - https://app.hubdoc.com/document/824079580 - INV2025100544	202100 Accounts Payable	16.67
11/10/2025	Bill Payment (Check)	7806207	Yes		101000 Cash/Investments:General Fund	-16.67
PERS						
11/10/2025	Check		Yes		101000 Cash/Investments:General Fund	-449.04
Pickle Barrel						
11/18/2025	Expenditure		Yes	PICKLE BARREL BOZEMAN MT	210605 First Interstate Bank - Dahlhauser 4865	200.59
Pinion						
11/10/2025	Bill Payment (Check)	7806197	Yes		101000 Cash/Investments:General Fund	-2,750.00
Qdoba Mexican Eats						
11/09/2025	Expenditure		Yes	QDOBA 2817 OLO 406-522-4166 MT	210575 Costco Citi Card - Templeton 8353	234.45
11/16/2025	Expenditure		Yes	QDOBA 2817 OLO 406-522-4166 MT	210575 Costco Citi Card - Templeton 8353	163.10
RAE Water						

Hyalite Rural Fire District

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11/25/2025	Bill	FIRE-00/11.2025	Yes	Hubdoc - https://app.hubdoc.com/document/836656429 - INV	202100 Accounts Payable	93.45
11/25/2025	Bill	GH5370-00/11.2025	Yes	Hubdoc - https://app.hubdoc.com/document/836656433 - INV	202100 Accounts Payable	47.04
Reid Templeton						
11/01/2025	Bill	Qdoba 10.04.25	Yes	Hubdoc - https://app.hubdoc.com/document/836656439 - INV	202100 Accounts Payable	192.15
Republic Services						
11/10/2025	Bill Payment (Check)	7806180	Yes		101000 Cash/Investments:General Fund	-445.41
Ressler Motor Company						
11/03/2025	Bill Payment (Check)	7806178	Yes		101000 Cash/Investments:General Fund	-46,925.00
11/05/2025	Bill	2217670	Yes	Hubdoc - https://app.hubdoc.com/document/824079614 - INV	202100 Accounts Payable	289.18
11/10/2025	Bill Payment (Check)	7806192	Yes		101000 Cash/Investments:General Fund	-289.18
Rocky Mountain Supply, Inc.						
11/10/2025	Bill Payment (Check)	7806181	Yes		101000 Cash/Investments:General Fund	-2,704.44
11/19/2025	Bill	11046	Yes	Hubdoc - https://app.hubdoc.com/document/836656435 - INV	202100 Accounts Payable	2,638.80
11/24/2025	Bill	11058	Yes	Hubdoc - https://app.hubdoc.com/document/836656426 - INV	202100 Accounts Payable	655.50
Rosas Pizza						
11/21/2025	Expenditure		Yes	ROSAS PIZZA BOZEMAN MT	210605 First Interstate Bank - Dahlhauser 4865	272.00
Rosauers						
11/10/2025	Expenditure		Yes	ROSAUERS FOOD&DRUG	210580 Costco Citi Card - Prato 6073	31.67
11/16/2025	Expenditure		Yes	ROSAUERS FOOD&DRUG BOZEMAN MT	210585 Costco Citi Card - Malone 5334	53.45
Ruby Weinberg						
11/06/2025	Bill	Sept 25 Call Response	Yes		202100 Accounts Payable	360.00
11/10/2025	Bill Payment (Check)	7806196	Yes		101000 Cash/Investments:General Fund	-360.00
Sidewinders						
11/03/2025	Expenditure		Yes	TST*SIDEWINDERS AMERICAN 406-587-8387 MT	210585 Costco Citi Card - Malone 5334	234.45
Simple Texting LLC						
11/12/2025	Expenditure		Yes	SIMPLETEXTING LLC 888-4219614 IL	210585 Costco Citi Card - Malone 5334	1.69
11/12/2025	Expenditure		Yes	SIMPLETEXTING LLC 888-4219614 IL	210585 Costco Citi Card - Malone 5334	34.65
Smartsign						
11/19/2025	Expenditure		Yes	SMARTSIGN BROOKLYN NY	210605 First Interstate Bank - Dahlhauser 4865	65.89
Staples						
11/18/2025	Expenditure		Yes	STAPLES 00104695 BOZEMAN MT	210605 First Interstate Bank - Dahlhauser 4865	49.98
TIRE-RAMA						
11/04/2025	Bill	504 - 26506	Yes	Hubdoc - https://app.hubdoc.com/document/824079588 - INV	202100 Accounts Payable	107.00
11/04/2025	Bill	504 - 26507	Yes	Hubdoc - https://app.hubdoc.com/document/824079599 - INV	202100 Accounts Payable	107.00
11/04/2025	Bill	504 - 26508	Yes	Hubdoc - https://app.hubdoc.com/document/824079602 - INV	202100 Accounts Payable	107.00
11/06/2025	Bill	504 - 26558	Yes	Hubdoc - https://app.hubdoc.com/document/824079583 - INV	202100 Accounts Payable	107.00
11/06/2025	Bill	504 - 26559	Yes	Hubdoc - https://app.hubdoc.com/document/824079592 - INV	202100 Accounts Payable	107.00
11/10/2025	Bill Payment (Check)	7806199	Yes		101000 Cash/Investments:General Fund	-535.00
Town & Country Foods - Field St						
11/01/2025	Bill	5863770/11-01-	Yes	Hubdoc - https://app.hubdoc.com/document/824079606 - INV	202100 Accounts Payable	43.73

Hyalite Rural Fire District

Transaction List by Vendor

November 2025

DATE	TRANSACTION TYPE	NUM	POSTING	MEMO/DESCRIPTION	ACCOUNT	AMOUNT
2025						
11/10/2025	Bill Payment (Check)	7806191	Yes		101000 Cash/Investments:General Fund	-43.73
Town and Country Foods - 11th Ave.						
11/01/2025	Bill	5863770	Yes	Hubdoc - https://app.hubdoc.com/document/828579100 - INV5863770	202100 Accounts Payable	1,083.85
11/18/2025	Bill Payment (Check)	7806215	Yes		101000 Cash/Investments:General Fund	-1,083.85
Town Pump						
11/02/2025	Credit Card Expenditure		Yes	Town Pump	210100 Conoco	25.33
11/02/2025	Credit Card Expenditure		Yes	Town Pump	210100 Conoco	62.18
11/03/2025	Credit Card Expenditure		Yes	Town Pump	210100 Conoco	44.66
11/04/2025	Credit Card Expenditure		Yes	Town Pump	210100 Conoco	19.20
11/05/2025	Credit Card Expenditure		Yes	Town Pump	210100 Conoco	9.59
11/08/2025	Credit Card Expenditure		Yes	Town Pump	210100 Conoco	18.02
11/09/2025	Credit Card Expenditure		Yes	Town Pump	210100 Conoco	20.88
11/10/2025	Credit Card Expenditure		Yes	Town Pump	210100 Conoco	43.42
11/11/2025	Credit Card Expenditure		Yes	Town Pump	210100 Conoco	29.15
11/13/2025	Credit Card Expenditure		Yes	Town Pump	210100 Conoco	41.99
11/13/2025	Credit Card Expenditure		Yes	Town Pump	210100 Conoco	10.53
11/15/2025	Credit Card Expenditure		Yes	Town Pump	210100 Conoco	61.44
11/16/2025	Credit Card Expenditure		Yes	Town Pump	210100 Conoco	27.46
11/16/2025	Credit Card Expenditure		Yes	Town Pump	210100 Conoco	8.20
11/17/2025	Credit Card Expenditure		Yes	Town Pump	210100 Conoco	11.23
11/19/2025	Credit Card Expenditure		Yes	Town Pump	210100 Conoco	17.64
11/19/2025	Credit Card Expenditure		Yes	Town Pump	210100 Conoco	51.55
Uber						
11/11/2025	Expenditure		Yes	UBER *TRIP 8005928996 CA	210600 First Interstate Bank - Nickolay 4857	89.26
11/19/2025	Expenditure		Yes	UBER *TRIP 8005928996 CA	210600 First Interstate Bank - Nickolay 4857	57.99
11/19/2025	Expenditure		Yes	UBER *TRIP 8005928996 CA	210600 First Interstate Bank - Nickolay 4857	7.54
United States Treasury						
11/10/2025	Check	FIB ePay	Yes		101000 Cash/Investments:General Fund	-8,242.04
Verizon						
11/10/2025	Bill Payment (Check)	7806209	Yes		101000 Cash/Investments:General Fund	-713.38
11/23/2025	Bill	6129288235	Yes	Hubdoc - https://app.hubdoc.com/document/836656460 - INV6129288235	202100 Accounts Payable	1,426.76
VFIS						
11/10/2025	Bill Payment (Check)	7806183	Yes		101000 Cash/Investments:General Fund	-94.08
11/11/2025	Bill	164706133	Yes	Hubdoc - https://app.hubdoc.com/document/836656427 - INV164706133	202100 Accounts Payable	83.00
Wex Bank						
11/23/2025	Bill	108738175	Yes	Hubdoc - https://app.hubdoc.com/document/836656455 - INV108738175	202100 Accounts Payable	747.74

Hyalite Rural Fire District

Transaction List by Vendor
November 2025

DATE	TRANSACTION TYPE	NUM	POSTING	MEMO/DESCRIPTION	ACCOUNT	AMOUNT
Zach Fredach						
11/06/2025	Bill	Sept 25 Call Response	Yes		202100 Accounts Payable	360.00
11/10/2025	Bill Payment (Check)	7806200	Yes		101000 Cash/Investments:General Fund	-360.00
Zakkar Tusken						
11/06/2025	Bill	Sept 25 Call Response	Yes		202100 Accounts Payable	600.00
11/10/2025	Bill Payment (Check)	7806184	Yes		101000 Cash/Investments:General Fund	-600.00
Zane Nordwick						
11/06/2025	Bill	Sept 25 Call Response	Yes		202100 Accounts Payable	340.00
11/10/2025	Bill Payment (Check)	7806189	Yes		101000 Cash/Investments:General Fund	-340.00

Hyalite Rural Fire District

Check Detail

November 2025

DATE	TRANSACTION TYPE	NUM	NAME	MEMO/DESCRIPTION	CLR	AMOUNT
100000	Cash/Investments					
101000	General Fund					
11/03/2025	Bill Payment (Check)	7806178	Ressler Motor Company			-46,925.00
						-46,925.00
11/10/2025	Check		PERS			-449.04
						-209.04
						-240.00
11/10/2025	Check		FURS			-14,640.49
						-6,251.12
						-8,389.37
11/10/2025	Check		Montana Dept. of Revenue			-2,335.00
						-2,335.00
11/10/2025	Check	7806179	Montana Firemen's Association			-599.04
						-599.04
11/10/2025	Check	FIB ePay	United States Treasury			-8,242.04
						-6,464.00
						-889.02
						-889.02
11/10/2025	Bill Payment (Check)	7806180	Republic Services			-445.41
						-445.41
11/10/2025	Bill Payment (Check)	7806181	Rocky Mountain Supply, Inc.			-2,704.44
						-2,704.44
11/10/2025	Bill Payment (Check)	7806182	Industrial Comm & Elec of Bozeman			-273.00
						-273.00
11/10/2025	Bill Payment (Check)	7806183	VFIS			-94.08
						-94.08
11/10/2025	Bill Payment (Check)	7806184	Zakkar Tusken			-600.00
						-600.00
11/10/2025	Bill Payment (Check)	7806185	Northwestern Energy			-2,136.91
						-2,136.91
11/10/2025	Bill Payment (Check)	7806186	Delta Dental			-226.44
						-226.44
11/10/2025	Bill Payment (Check)	7806187	Jack Vincent			-460.00
						-460.00
11/10/2025	Bill Payment (Check)	7806188	Paige Manua			-500.00
						-500.00
11/10/2025	Bill Payment (Check)	7806189	Zane Nordwick			-340.00
						-340.00
11/10/2025	Bill Payment (Check)	7806190	Fisher's Technology			-166.84
						-166.84
11/10/2025	Bill Payment (Check)	7806191	Town & Country Foods - Field St			-43.73
						-43.73

Hyalite Rural Fire District

Check Detail

November 2025

DATE	TRANSACTION TYPE	NUM	NAME	MEMO/DESCRIPTION	CLR	AMOUNT
11/10/2025	Bill Payment (Check)	7806192	Ressler Motor Company			-289.18
						-289.18
11/10/2025	Bill Payment (Check)	7806193	Colton Rue-Zindell			-440.00
						-440.00
11/10/2025	Bill Payment (Check)	7806194	Bound Tree Medical			-979.42
						-979.42
11/10/2025	Bill Payment (Check)	7806195	Evan Jones			-600.00
						-600.00
11/10/2025	Bill Payment (Check)	7806196	Ruby Weinberg			-360.00
						-360.00
11/10/2025	Bill Payment (Check)	7806197	Pinion			-2,750.00
						-2,750.00
11/10/2025	Bill Payment (Check)	7806198	Amazon Capital Services			-53.38
						-53.38
11/10/2025	Bill Payment (Check)	7806199	TIRE-RAMA			-535.00
						-535.00
11/10/2025	Bill Payment (Check)	7806200	Zach Fredach			-360.00
						-360.00
11/10/2025	Bill Payment (Check)	7806201	Nicholas Blommel			-360.00
						-360.00
11/10/2025	Bill Payment (Check)	7806202	Amatics			-3,000.00
						-3,000.00
11/10/2025	Bill Payment (Check)	7806203	Connect Telephone and Computer Group			-60.00
						-60.00
11/10/2025	Bill Payment (Check)	7806204	Heiman Fire Equipment			-204.00
						-204.00
11/10/2025	Bill Payment (Check)	7806205	Big Sky Publishing			-22.00
						-22.00
11/10/2025	Bill Payment (Check)	7806206	Allie Kuntz			-680.00
						-680.00
11/10/2025	Bill Payment (Check)	7806207	People Facts			-16.67
						-16.67
11/10/2025	Bill Payment (Check)	7806208	Kate Brownell			-460.00
						-460.00
11/10/2025	Bill Payment (Check)	7806209	Verizon			-713.38
						-713.38
11/10/2025	Bill Payment (Check)	7806210	L.N. Curtis and Sons			-2,804.20
						-2,804.20
11/10/2025	Bill Payment (Check)	7806211	NAPA Auto Parts	12342		-613.92
						-613.92

Hyalite Rural Fire District

Check Detail

November 2025

DATE	TRANSACTION TYPE	NUM	NAME	MEMO/DESCRIPTION	CLR	AMOUNT
11/13/2025	Check	7806212	Metta Trautmann			-1,566.40
				Advance for retro pay		1,566.40
11/18/2025	Bill Payment (Check)	7806213	BlueCross BlueShield of Montana			-5,057.26
						-5,057.26
11/18/2025	Bill Payment (Check)	7806214	Clearly			-90.77
						-90.77
11/18/2025	Bill Payment (Check)	7806215	Town and Country Foods - 11th Ave.			-1,083.85
						-1,083.85
11/18/2025	Bill Payment (Check)	7806216	Charter Communications - Palatine IL			-155.00
						-155.00
11/18/2025	Bill Payment (Check)	7806217	Grace Bible Church			-200.00
						-200.00

**HYALITE RURAL FIRE DISTRICT
BOARD OF TRUSTEES REGULAR PUBLIC MEETING
SYNOPSIS**

DATE: NOVEMBER 18, 2025

TIME: 7:00 p.m.

LOCATION: Sourdough Fire Station, 4541 S. 3rd Rd., Bozeman, Montana

In compliance with [MCA 2017 2-3-212](#) and the Hyalite Rural Fire District Bylaws, the minutes of HRFD Board of Trustees open public meetings are comprised of an audio recording and a written synopsis. The audio recording is designated as the official record of a meeting. The written synopsis serves to assist the public in accessing portions of the audio recording and is a good faith attempt to provide the public with another method to be informed about the actions of the Board. The minutes are available to the public at www.hyalitefire.org/board-meeting-minutes/ or at the Hyalite Rural Fire District Administrative Offices, 4541 S. 3rd Rd., Bozeman, MT, during its standard business hours.

TRUSTEES IN ATTENDANCE:

Justin Miller
Pete Geddes
Walt Zidack
Jason Jarrett
Ken Beideman

STAFF IN ATTENDANCE:

Brian Nickolay, Fire Chief
Chris Dahlhauser, Assistant Fire Chief
Sheryl Wyman, Administrative Assistant

PUBLIC IN ATTENDANCE:

Morgan Scarr, Amatics CPA Group
Chris Hindoién, Rocky Mountain Insurance Services
Luke Hindoién, Rocky Mountain Insurance Services
Allie Kuntz-President, Volunteer Firefighter Association
Kade O'Brian-Representative, Volunteer Firefighter Association

0:00:00	CALL TO ORDER OF HYALITE RURAL FIRE DISTRICT Chairman Miller called the meeting to order and asked for any public comment on non-agenda items. None given. HYALITE CONSENT AGENDA Chairman Miller asks if there are any requests to pull anything from the Consent Agenda for review. None given.
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	<p>Chief Nickolay explains the line item for Safety Equipment is over budget but we are waiting on a \$47,000 grant to come in but the equipment has already been purchased.</p> <p>Motion: Trustee Jarrett moves to approve consent agenda as presented</p> <p>Trustee Zidack seconded the motion.</p> <p>Vote: Jarrett-Yes; Zidack-Yes; Beideman-Yes; Miller-Yes; Geddes-Yes. Unanimous approval.</p> <p><i>[See October 28, 2025 Board Packet for Consent Agenda items Approved]</i></p>
	REGULAR AGENDA
0:01:04	<p>Promotion of Nicholas Blommel</p> <p>Nick Blommel introduces himself to the board and gives his background. The Chief states he is being promoted to Lieutenant. Lieutenant Blommel receives his pin.</p>
0:03:02	<p>Agenda Item 1 – Hyalite Volunteer Firefighters Association Report</p> <p>Allie Kuntz, President of the volunteer association discusses events the volunteers have been participating in. The association has been in place for a little over a year. They are working on making improvements to the gym.</p> <p>They are also working on Night with Santa which is scheduled for December 10th.</p>
0:04:22	<p>Agenda Item 2 – Discussion and Decision - FY2025 Audit Report – Morgan Scarr, Amatics CPA Group</p> <p>Morgan Scarr from Amatics discusses the FY2025 audit. Discussion is held regarding the tax revenue. The testing showed there was too much of our tax revenue was missing. A chunk of the revenue had been put in the personal property tax revenue instead of the property tax revenue. This was cleaned up and satisfied the audit review.</p> <p>We have a clean audit. The second report is on compliance. Last year’s audit had a material weakness which has been resolved for this year. This year’s report was county tax revenues and the county was behind to be able to report accurately. There was a compliance finding with budget vs. actual where we were overbudget. We were over budget by \$70,000 for capital expenditure. There was money to cover the overage but the recommendation is to do a budget amendment if this issue arises again.</p> <p>Discussion is held and questions asked between the board and Morgan regarding budget amendments.</p> <p>She also provides a handout for Good Governance and common examples of fire district fraud.</p>

	<p>Chair Miller asks for any further board discussion. None given.</p> <p>Motion: Trustee Geddes moves to approve the audit as presented.</p> <p>Chair Miller asks for any public comment on the motion. None given.</p> <p>Trustee Jarrett seconded the motion.</p> <p>Vote: Jarrett-Yes; Miller-Yes; Geddes-Yes; Zidack-Yes; Beideman-Yes. Unanimous approval.</p> <p><i>[See Audit-Attachment A; Governance-Attachment B; Fire District Board of Directors-Good Governance Checklist-Attachment C; Common Examples of Fire District Fraud-Attachment D]</i></p>
0:21:16	<p>Agenda Item 3 – Discussion and Decision – Extending Amatics Audit Contract</p> <p>Chief Nickolay explains the proposal in the board’s packet. The Legislature changed the length of time for an audit contract from a three-year contract to a five- year contract. Administrative Assistant explains that we are cancelling the current contract with Amatics and entering into a new five- year contract.</p> <p>Discussion and questions are asked by the board about changing auditors in a timely fashion. Discussion is held about Amatics audit team and the safeguards in place. Discussion is held regarding the pricing structure of the new contract.</p> <p>Chief Nickolay explains the State tracked this legislation. The State has an issue with not enough available auditors to do the work for local governments. This was the driving force to extend the time to five years.</p> <p>Chair Miller asks for any further board discussion. None given.</p> <p>Motion: Trustee Geddes moves to approve the contract as presented.</p> <p>Chair Miller asks for any public comment on the motion. None given.</p> <p>Trustee Zidack seconded the motion.</p> <p>Vote: Jarrett-Yes; Zidack-Yes; Beideman-Yes; Miller-Yes; Geddes-Yes. Unanimous approval.</p> <p><i>[See FY26 Amended Contract-Attachment E; FY26-30 Amended Contract-Attachment F]</i></p>
0:28:38	<p>Agenda Item 4 – Discussion and Decision - VFIS Renewal</p> <p>The packet includes a proposal for RMIS to become our agent. Our policy will auto renew and stay the same on January 1st. Our current agent was contacted and could not meet until the January meeting.</p>

	<p>Chair Miller asks for any board discussion. Trustee Zidack thinks if there is more service and the price structure stays the same this would be a good move.</p> <p>Chair Miller asks for any further board discussion. None given.</p> <p>Motion: Trustee Zidack moves to approve the proposal as presented.</p> <p>Chair Miller asks for any public comment on the motion. None given.</p> <p>Trustee Geddes seconded the motion.</p> <p>Vote: Jarrett-Yes; Zidack-Yes; Beideman-Yes; Miller-Yes; Geddes-Yes. Unanimous approval.</p> <p><i>[See RMIS Proposal-Attachment G]</i></p>
0:31:36	<p>Agenda Item 5 – Discussion and Decision - Accounting Fees</p> <p>The Chief gives the background of our accounting services. Starting on January 1st our current accounting firm will no longer handle our payroll needs. The Chief reached out to other fire departments and received minimal response. One agency is paying internal CPA work \$102,000. An external contractor who is not a CPA is costing approximately \$28,800. The Chief reached out to Jeni Lorasch who is a CPA. She is currently doing accounting work for Frenchtown and Columbus fire districts. They are both comparable to us. She provided us a bid of \$1,250/month or \$15,000 annually. She will handle both payroll and our accounting needs. The Chief goes over the ending of the agreement terms and we would need give a ten-day notice.</p> <p>Trustee Zidack asks about extra fees to handle the audit work. The Chief suggests there would be additional costs for the audit at an hourly rate.</p> <p>The board asks further questions. Discussion held among the trustees.</p> <p>Trustee Zidack asks staff to bring a contract proposal to the next meeting for approval.</p> <p><i>[See Accounting Services Bids-Attachment H]</i></p>
0:44:38	<p>Agenda Item 6 – Discussion and Decision – Hiring of 3rd Party to Research Annexation</p> <p>Pete believes the right context for this would be more directed to prepare for going out to the public and asking for a mill levy. He feels if we could bring an outside party to take a look at the district and look at the growth to provide information would help on making plans for the future. He doesn't feel this is a high priority and after talking with others the cost would be a maximum of \$50,000 to provide a report.</p> <p>Discussion is held between the trustees regarding the scope and questions we are wanting to have answered.</p>

	<p>Discussion is held regarding the future plans of Bozeman City Fire and their placement of a new station for the City of Bozeman. No matter where they would place the station they would still only provide service to the City of Bozeman. This may affect the placement of a new Hyalite station.</p> <p>Discussion is held regarding options for the other stations. There might be other options for the Rae Station as well. The growth in the district is continuing to expand the service area.</p> <p>Trustee Geddes will write up a proposal with questions and potential direction we want to pursue. Trustee Zidack suggests breaking off a committee and holding a work session.</p>
1:17:52	<p>Agenda Item 7 – Discussion and Decision – Command Staff Shortfalls</p> <p>Continuation from last month’s discussion. Trustee Jarrett had asked the questions be brought back to the staff regarding utilizing different coverages. Currently staff is exceeding the amount of comp time they can earn. There is a concern of handling command as well as other duties. The volunteer command pool is being deleted through other opportunities and losing those command personnel.</p> <p>Discussion is held among the trustees and Chief. Trustee Geddes agrees with adding another FTE. Trustee Zidack states the budget can handle adding another employee. Chair Miller asks if one FTE will be sufficient. The Chief feels this position would require two nights of week would be covered. There is a feeling among volunteers they want to see command as an option. They feel they would be very uncomfortable without command running on calls.</p> <p>Assistant Fire Chief Dahlhauser assures the board our newest Training Captain is doing phenomenal and we are already seeing results from that hire. Trustee Jarrett would like to see adding an FTE to stay with training. Discussion is held about options with the position. The current need is for command coverage but should command coverage improve we can move the position to a day-time trainer.</p> <p>Discussion is held regarding the dynamic of the current volunteer versus the past. The recruitment captain is working with the university to allow students to live off campus to get volunteers into the residence program earlier. Each trustee gives their position. Chief Nickolay states our department is currently about 50/50 between students and individuals not at the university.</p> <p>Motion: Trustee Geddes moves to approve the hire of the FTE as described by the Chief.</p> <p>Chair Miller asks for any public comment on the motion. None given.</p> <p>Trustee Zidack seconded the motion.</p> <p>Vote: Jarrett-Yes; Zidack-Yes; Beideman-Yes; Miller-Yes; Geddes-Yes. Unanimous approval.</p>

2:00:01	Agenda Item 8 - Discussion – Replacement of Rae Fire Station – <i>Standing Agenda Item</i> The feeling among the Trustees is to review the press release and hold on sending it out to the media. <i>[See Rae Station Press Release-Attachment I]</i>
2:00:48	Agenda Item 9 – Fire Chief's Report The Chief goes over his report. He wants to make the board aware the county is proposing to remove the fire sprinkler requirements from the subdivision regulations. Discussion is held regarding the options and enforcement issues. Trustee Jarrett gives some background. We had an engine helping with the Anderson Haunted House event. <i>[See Fire Chief's Report-Attachment J]</i>
2:08:48	Trustees' Activities <ul style="list-style-type: none"> • Trustee Geddes has attended meetings with the County Ambulance Board • Trustee Zidack requests we see if we made a formal motion to move money from the general fund into the Capital Apparatus fund. If we didn't take any action at the board level we need to add it to the next agenda. • Trustee Jarrett will be testifying in front of the legislative interim committee regarding local government cooperation.
2:09:57	Announcements <ul style="list-style-type: none"> • Next Board Meeting – Tuesday, December 16, 2025
2:10:35	Adjournment

HYALITE RURAL FIRE DISTRICT
AUDITED FINANCIAL STATEMENTS
June 30, 2025



AMATICS
CPA GROUP

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AMATICS
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INDEPENDENT AUDITOR'S REPORT

**To the Board of Trustees
Hyalite Rural Fire District
Bozeman, MT**

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the major funds of Hyalite Rural Fire District ("the District") as of and for the year ended June 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major funds of Hyalite Rural Fire District, as of June 30, 2025, and the respective changes in financial position, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America, require that the management's discussion and analysis and budgetary comparison information as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2025 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District'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 the District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Amatis CPA Group". The signature is written in a cursive, flowing style.

Bozeman, Montana
November 18, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

**HYALITE RURAL FIRE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2025**

The management's discussion and analysis of the Hyalite Rural Fire District ("the District") provides an overall review of the District's financial activities for the year ended June 30, 2025. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers are encouraged to consider the information presented here in conjunction with the additional information contained in the financial statements and notes thereof.

USING THIS ANNUAL FINANCIAL REPORT

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Overview of the Financial Statements

Government-wide Financial Statement - Reporting the District as a Whole

Statement of Net Position and Statement of Activities

The statement of net position includes all assets, deferred outflows, liabilities, deferred inflows, and net position using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. The statement of activities includes all of the current year's revenues and expenses, regardless of when cash is received or paid.

The statement of net position and statement of activities report the District's net position and its change in net position in the current year. Net position is the residual of assets plus deferred outflows less liabilities and deferred inflows, which is one way to measure the District's financial health or financial position. Over time, an increase or decrease in the net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. However, you need to consider other nonfinancial factors in making an assessment of the District's health, such as changes in the economy.

Governmental Activities

The District's functions include emergency response to fires (structure, vehicle, and wild land), medical emergencies, and accidents. Functions include regular firefighting training, public education classes, and testing of area firefighting resources.

Fund Financial Statements - Reporting the District's Most Significant Funds

The fund statements provide detailed information about the funds used by the District. State law generally requires fire districts to segregate money generated for certain specific purposes in separate funds. The District is required to report its activities in these governmental funds: general fund and debt service fund.

Governmental Funds

Governmental Funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on the balance of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. These funds are reported using an accounting method called modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides.

HYALITE RURAL FIRE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
June 30, 2025

Overview of the Financial Statements (Continued)

Both the governmental fund balance sheet and the government fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate a comparison between governmental activities (reported in the statement of net position and the statement of activities) and the governmental funds.

The Government as a Whole

The following is a schedule of net position:

	<u>2025</u>	<u>2024</u>	<u>Change</u>
Current and other assets	\$ 3,170,060	\$ 4,127,034	\$ (956,974)
Capital assets, net	<u>5,142,029</u>	<u>3,871,904</u>	<u>1,270,125</u>
Total assets	<u>8,312,089</u>	<u>7,998,938</u>	<u>313,151</u>
 Deferred outflows of resources	 200,287	 183,305	 16,982
 Current liabilities	 421,862	 355,968	 65,894
Long-term liabilities outstanding	<u>747,514</u>	<u>950,482</u>	<u>(202,968)</u>
Total liabilities	<u>1,169,376</u>	<u>1,306,450</u>	<u>(137,074)</u>
 Deferred inflows of resources	 <u>10,565</u>	 <u>10,499</u>	 <u>66</u>
 Net position			
Net investment in capital assets	4,492,029	3,006,904	1,485,125
Restricted	219,233	220,093	(860)
Unrestricted	<u>2,621,173</u>	<u>3,638,298</u>	<u>(1,017,125)</u>
Total net position	<u>\$ 7,332,435</u>	<u>\$ 6,865,295</u>	<u>\$ 467,140</u>

Net position may serve as a useful indicator of a government's financial position over time. For fiscal year 2025, assets exceeded liabilities by \$7,142,713. A large portion of the District's net position, totaling \$4,492,029, reflects the District's investment in capital assets (e.g. land, buildings and improvements, machinery and equipment, net of depreciation, less any related debt used to acquire those assets that is still outstanding). The District uses these capital assets to provide services to citizens. Consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Restricted net position totaling \$219,233 is available for the District to use to meet its debt obligations.

Unrestricted net position totaling \$2,621,173 is available for the District to use in its ongoing obligations to citizens, vendors and creditors.

HYALITE RURAL FIRE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
June 30, 2025

The Government as a Whole (Continued)

The following is a schedule of changes in net position:

	<u>2025</u>	<u>2024</u>	<u>Change</u>
Revenues:			
General revenues			
Property taxes	\$ 2,234,920	\$ 1,915,974	\$ 318,946
Intergovernmental	204,544	196,186	8,358
Charges for services	82,883	-	82,883
Interest	128,526	154,461	(25,935)
Miscellaneous	67,808	85,820	(18,012)
Total revenues	<u>2,718,681</u>	<u>2,352,441</u>	<u>366,240</u>
Expenses:			
Public safety - fire protection	<u>2,251,541</u>	<u>2,081,758</u>	<u>169,783</u>
Total expenses	<u>2,251,541</u>	<u>2,081,758</u>	<u>169,783</u>
Change in net position	467,140	270,683	196,457
Net position, beginning	<u>6,865,295</u>	<u>6,594,612</u>	<u>270,683</u>
Net position, ending	<u><u>\$ 7,332,435</u></u>	<u><u>\$ 6,865,295</u></u>	<u><u>\$ 467,140</u></u>

Net position increased by \$467,140 from the prior year. Public safety expenses comprise all governmental activity expenses in 2025. Public safety expenses increased \$169,783 from the prior year. Most of this increase was due to personnel, supplies, and repair and maintenance expenses.

Governmental Funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financial requirements. In particular, unreserved fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

For the fiscal year ended June 30, 2025, the combined ending fund balances of the District governmental funds were \$3,066,652. This is a decrease of \$(962,546) from the prior year ending fund balance.

Of the ending fund balance, \$2,280,985 constitutes unassigned fund balance, which is available for current needs. Fund balance of \$534,867 has been committed by the Board for future capital expenditures. \$219,233 of ending fund balance has been restricted for debt service. Ending fund balance of \$31,567 is nonspendable, which represents prepaid expenses.

**HYALITE RURAL FIRE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
June 30, 2025**

General Fund

This is the chief operating fund of the District. At the end of the fiscal year 2025, unassigned fund balance was \$2,280,985, nonspendable fund balance was \$31,567, and committed fund balance was \$534,867.

Debt Service Fund

The debt service fund is used to account for and report the accumulation of funds restricted or committed for the periodic payment of principal and interest on general long-term debt. At the end of the fiscal year 2025, restricted fund balance was \$219,233.

Where do the Resources Come From

The majority of revenue comes from general property taxes.

What does it Cost

The major costs are for personnel services.

Capital Asset and Debt Administration

The capital assets are land and buildings, which include fire stations, and equipment including fire trucks, water tenders, and other related vehicles and equipment. See Note 3 to the financial statements for more detailed information on the capital asset activity for the year ended June 30, 2025.

See Note 4 to the financial statements for more detailed information on the long-term debt activity for the year ended June 30, 2025.

Fund Deficits

None.

Excess of Expenditures over Appropriations

Total expenditures were not in excess of the appropriations for the year ended June 30, 2025.

The Government's Future

The District is rapidly growing and, as a result of this growth, seeing an increase in demand for its services. The Board strives to manage the District in a way that balances the increased need for services with the constituent's desire for a stable mill levy. The District expects a steady increase in tax revenue due to continued development growth in the district. This will substantially support the expected increase in operational expenses. The District continues to fund the capital replacement and improvement reserves through unspent revenues from each fiscal year. It is the intent of the District to manage financial resources in a manner that funds expected capital expenditures through these reserves which will result in a steady mill levy.

CONTACT FOR FURTHER INFORMATION

Walt Zidack, Treasurer
Hyalite Rural Fire District
(406) 586-3770

HYALITE RURAL FIRE DISTRICT
STATEMENT OF NET POSITION
June 30, 2025

Governmental Activities

ASSETS

Cash and cash equivalents	\$ 3,069,273
Receivables:	
Property taxes	69,220
Prepaid expenses	31,567
Capital assets, nondepreciable	361,201
Capital assets, depreciable, net	<u>4,780,828</u>
 Total assets	 <u>8,312,089</u>

DEFERRED OUTFLOWS OF RESOURCES

Contributions to pension plans in current fiscal year	<u>200,287</u>
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LIABILITIES

Accounts payable	22,624
Accrued liabilities	57,735
Long-term liabilities	
Due within one year	341,503
Due after one year	<u>747,514</u>
 Total liabilities	 <u>1,169,376</u>

DEFERRED INFLOWS OF RESOURCES

Pension deferrals	7,468
Bond refunding	<u>3,097</u>
 Total deferred inflows of resources	 <u>10,565</u>

NET POSITION

Net investment in capital assets	4,492,029
Restricted for:	
Debt service	219,233
Unrestricted	<u>2,621,173</u>
 Total net position	 <u>\$ 7,332,435</u>

See the accompanying independent auditor's report.

**HYALITE RURAL FIRE DISTRICT
STATEMENT OF ACTIVITIES
Year Ended June 30, 2025**

Governmental Activities

Expenses

Public safety - fire protection:

Personnel services	\$ 994,620
Materials and services	692,982
Depreciation	559,889
Interest	<u>4,050</u>

Total program expenses	<u>2,251,541</u>
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General Revenues

Property taxes	2,234,920
Intergovernmental	204,544
Charges for services	82,883
Interest	128,526
Miscellaneous	<u>67,808</u>

Total general revenues	<u>2,718,681</u>
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Change in net position	467,140
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Net position, beginning	<u>6,865,295</u>
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Net position, ending	<u><u>\$ 7,332,435</u></u>
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See the accompanying independent auditor's report.

**HYALITE RURAL FIRE DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2025**

	General	Debt Service	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 2,850,040	\$ 219,233	\$ 3,069,273
Receivables			
Property taxes	69,220	-	69,220
Prepaid expenses	<u>31,567</u>	<u>-</u>	<u>31,567</u>
Total assets	<u>\$ 2,950,827</u>	<u>\$ 219,233</u>	<u>\$ 3,170,060</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 22,624	\$ -	\$ 22,624
Accrued liabilities	<u>57,735</u>	<u>-</u>	<u>57,735</u>
Total liabilities	<u>80,359</u>	<u>-</u>	<u>80,359</u>
Deferred inflows of resources			
Unavailable property taxes	<u>23,049</u>	<u>-</u>	<u>23,049</u>
Fund balances:			
Nonspendable	31,567	-	31,567
Restricted for debt service	-	219,233	219,233
Committed for capital	534,867	-	534,867
Unassigned	<u>2,280,985</u>	<u>-</u>	<u>2,280,985</u>
Total fund balances	<u>2,847,419</u>	<u>219,233</u>	<u>3,066,652</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 2,950,827</u>	<u>\$ 219,233</u>	<u>\$ 3,170,060</u>

See the accompanying independent auditor's report.

**HYALITE RURAL FIRE DISTRICT
RECONCILIATION OF THE BALANCE SHEET OF THE
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
June 30, 2025**

Total fund balance, governmental funds	\$ 3,066,652
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 the governmental funds.	5,142,029
Deferred outflows and inflows of resources related to pensions and bond refunding are applicable to future periods and, therefore, are not reported in the government funds.	
Deferred outflows of resources - pensions	200,287
Deferred inflows of resources - pensions	(7,468)
Deferred inflows of resources - bond refunding	(3,097)
Other long-term assets are not available to pay current period expenditures and, therefore, are deferred in the governmental funds.	
Unavailable property taxes	23,049
Some liabilities are not due and payable in the current period and, therefore, are not included in the governmental funds.	
Compensated absences	(126,503)
Bonds payable	(650,000)
Net pension liability	<u>(312,514)</u>
Net position of governmental activities	<u>\$ 7,332,435</u>

See the accompanying independent auditor's report.

HYALITE RURAL FIRE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2025

	<u>General</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
REVENUES			
Property taxes	\$ 2,238,515	\$ -	\$ 2,238,515
Intergovernmental	225,211	-	225,211
Charges for services	82,883	-	82,883
Interest	128,526	-	128,526
Miscellaneous	<u>67,812</u>	<u>-</u>	<u>67,812</u>
Total revenues	<u>2,742,947</u>	<u>-</u>	<u>2,742,947</u>
EXPENDITURES			
Public safety - fire protection			
Personnel services	962,400	-	962,400
Materials and services	692,986	-	692,986
Debt service			
Principal	-	215,000	215,000
Interest	-	5,093	5,093
Capital outlay	<u>1,830,014</u>	<u>-</u>	<u>1,830,014</u>
Total expenditures	<u>3,485,400</u>	<u>220,093</u>	<u>3,705,493</u>
Excess of revenues over expenditures	<u>(742,453)</u>	<u>(220,093)</u>	<u>(962,546)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	219,233	219,233
Transfers out	<u>(219,233)</u>	<u>-</u>	<u>(219,233)</u>
Total other financing sources (uses)	<u>(219,233)</u>	<u>219,233</u>	<u>-</u>
Net change in fund balances	(961,686)	(860)	(962,546)
Fund balances, beginning of the year	<u>3,809,105</u>	<u>220,093</u>	<u>4,029,198</u>
Fund balances, end of the year	<u><u>\$ 2,847,419</u></u>	<u><u>\$ 219,233</u></u>	<u><u>\$ 3,066,652</u></u>

See the accompanying independent auditor's report.

**HYALITE RURAL FIRE DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
June 30, 2025**

Net change in fund balances - total governmental funds	\$ (962,546)
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	1,830,014
Depreciation expense	(559,889)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds:

Change in unavailable property taxes	(3,595)
State pension aid (on-behalf payment)	(20,667)

The repayment of the principal of long-term debt consumes the current financial resources of governmental funds. The repayment; however, has no effect on net position.	215,000
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Some expenses reported in the statement of activities do not require the use of current financial resources and; therefore, are not reported as expenditures in the governmental funds:

Compensated absences	(56,728)
Bond refunding amortization	1,043
Adjustment to actuarial pension expense	<u>24,508</u>

Change in net position of governmental activities	<u><u>\$ 467,140</u></u>
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See the accompanying independent auditor's report.

**HYALITE RURAL FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Hyalite Rural Fire District (the District), is organized and operated under the provisions of Title 7, Chapter 33, Part 21, Montana Code Annotated, to provide life, safety, and fire protection systems to the Hyalite community. It is a separate political entity established by the Gallatin County Commissioners, the affairs of which are governed and managed by an elected Board of Trustees (the Board). The County levies and collects taxes to fund the District's budget, and the Gallatin County Treasurer serves as Treasurer of the District. The District is not a component unit of another entity and has no component units.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the activities of the District. Governmental activities, which are supported by taxes, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. For the year ended June 30, 2025, the District did not have any business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function. For the year ended June 30, 2025, the District did not have any program revenue. Property taxes and other items are reported as general revenues.

Fund financial statements are provided for governmental funds. Major individual governmental funds are reported in separate columns in the fund financial statements.

The District reports the following major governmental funds:

General Fund – The general fund is the District's primary operating fund. It is used to account for and report all financial resources except those required to be accounted for in another fund.

Debt Service Fund – The debt service fund is used to account for and report the accumulation of funds restricted or committed for the periodic payment of principal and interest on general long-term debt.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. On an accrual basis, revenues from property taxes and benefit assessments are recognized in the year for which the taxes and assessments are levied and revenue from investments is recognized when earned.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Revenues are accrued when their receipt occurs within sixty days after the end of the accounting period so as to be both measurable and available. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds.

**HYALITE RURAL FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Investments

Cash is held by the Gallatin County Treasurer and pooled in the County external investment pool. The fair value of the position in the pool is the same as the value of the pool shares. The County Treasurer invests the pooled cash pursuant to state law (MCA 20-9-213[4]). Allowable investments include time and savings deposits with a bank, savings and loan association, or credit union in the state, obligations of the United States Government, securities issued by agencies of the United States, repurchased agreements, and the State Short-Term Investment Pool (STIP). The audited financial statements of Gallatin County, which include information about the investment pool, are available at <https://lgs.mt.gov/>.

Taxes Receivable

Property tax levies are set by the County, in connection with the budget process, and are based on taxable values listed as of January 1 for all real property located in the District. Taxable values are established by the Montana Department of Revenue based on market values. A revaluation of all property is required to be completed on a periodic basis. Taxable value is defined by Montana statute as a fixed percentage of market value.

Real property taxes and special assessments are generally billed in October and are payable one half by November 30 and one half by May 31. After these dates, taxes and assessments become delinquent and become a lien on the property. Personal property is assessed and personal property taxes are billed throughout the year, with a significant portion generally billed in May, June, and July. Personal property taxes are based on levies set during the prior August. These taxes become delinquent 30 days after billing. Taxes and assessments that become delinquent are charged interest at the rate of 5/6 of 1% per month from the time of delinquency until paid plus a penalty of 2%. Real property on which taxes and assessments remain delinquent and unpaid may be sold at tax sales. In the case of personal property, the property is seized and sold after the taxes become delinquent.

Capital Assets

Capital assets, which include land, buildings and improvements, and machinery and equipment, are reported on the statement of net position. All capital assets with a purchase price over \$5,000 are capitalized. Such assets are recorded at historical cost. Donated property and materials are recorded at fair market value as of the date of the donation.

The costs of normal maintenance and repairs that do not add to the value of an asset or materially extend an asset's life are not capitalized.

Buildings and improvements and machinery and equipment are depreciated using the straight-line method over the following estimated useful lives:

Buildings and improvements	7-40 years
Machinery and equipment	3-7 years

Long-term Obligations

In the fund-level financial statements, governmental funds report the face amount of debt issued, as well as any premiums (discounts) as other financing sources (uses). Debt issuance costs are reported as debt service expenditures. In the government-wide financial statements, long-term debt is reported as liabilities in the statement of net position. Bond issuance costs are expensed. Bond premiums/discounts are reported along with the debt as valuation accounts and amortized as a component of interest expense.

**HYALITE RURAL FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences

Liabilities associated with accumulated vacation and sick leave are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations or retirements. District employees earn vacation leave ranging from 15 to 24 days per year, depending on the individual's years of service. The maximum permissible accumulation is the amount earned in a year. At termination, employees are paid for any accumulated vacation leave, up to the maximum accumulation, at the current rate of pay. District employees earn sick leave at the rate of one day per month. There is no limit on the accumulation of sick leave days. Upon termination, only 25% of accumulated sick leave is paid.

Net Pension Liability and Deferred Outflows/Inflows of Resources

The District recognized net pension liability for the pension plan in which it participates. Changes in the net pension liability during the year are recorded as pension expense, or as deferred inflows of resources or deferred outflows of resources depending on the nature of the change. Those changes in net pension liability that are recorded as deferred inflows of resources or deferred outflows of resources that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience are amortized over the weighted average remaining service life of all participants in the pension plan and recorded as a component of pension expense beginning with the period in which they are incurred. Projected earnings on qualified pension plan investment earnings are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred inflows of resources or deferred outflows of resources and amortized as a component of pension expense.

Fund Balance

The Government Accounting Standards Board (GASB) has issued Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions (GASB 54). This Statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes.

In accordance with GASB 54, the District reports fund balance in two general classifications: nonspendable and spendable. Nonspendable represents the portion of fund balance that is not in spendable form such as prepaid expenses. Spendable fund balance is further categorized as restricted, committed, assigned, and unassigned.

The restricted fund balance category contains balances that can be spent only for the specific purposes stipulated by external parties. External parties include grantors, debt covenants, votes, and laws and regulations of other governments.

The committed fund balance category includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority, the Board of Trustees. The Board needs to formally adopt a Resolution in order to establish, modify, or rescind a fund balance commitment.

**HYALITE RURAL FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance (Continued)

Amounts in the assigned fund balance are to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed.

Unassigned fund balance is the residual classification for the government's general fund.

When an expense is incurred for purposes for which both restricted and unrestricted fund balance are available, the District's policy is to apply restricted fund balance first.

Net Position

Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets.

Net position is reported as restricted when there are limitations imposed on its use through external restrictions imposed by creditors, granters, or laws and regulations of other governments. When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the District's policy is to apply restricted net position first.

2. CASH AND CASH EQUIVALENTS

As of June 30 2025, the District had the following investment:

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Gallatin County External Investment Pool	<u>\$ 2,850,040</u>	<u>\$ 219,233</u>	<u>\$ 3,069,273</u>

The District participates in an investment pool managed by the Gallatin County Treasurer. The pool is not registered with the Securities and Exchange Commission as an investment company and is not subject to regulatory oversight. Investments of the pool consist primarily of repurchase agreements, STIP, U.S. Treasury Bills, and securities of the U.S. Government, its agencies, or government sponsored entities and are carried at quoted market prices. The fair value of investments is determined annually, and is based on quoted market prices.

The District's balance in the investment pool is reported as cash and cash equivalents in the accompanying financial statements, as the District has full access to these funds upon request. Interest earnings are allocated to the individual funds of the District based on the District's month end balance in relation to the total pool investments.

Montana law allows the local governing body to require security for the portion of deposits not guaranteed or insured. Deposit insurance is administered by the Federal Deposit Insurance Corporation. Since the District invests in a pool managed by the County Treasurer, pledged securities for the various individual deposits and repurchase agreements are managed by the County Treasurer.

HYALITE RURAL FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

3. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2025, were as follows:

	<u>Balance</u> <u>July 1, 2024</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u>	<u>Balance</u> <u>June 30, 2025</u>
Capital assets not being depreciated:					
Land	\$ 361,201	\$ -	\$ -	\$ -	\$ 361,201
Construction in progress	16,800	-	-	(16,800)	-
Total capital assets not being depreciated	<u>378,001</u>	<u>-</u>	<u>-</u>	<u>(16,800)</u>	<u>361,201</u>
Capital assets being depreciated:					
Buildings and improvements	4,135,885	15,500	-	16,800	4,168,185
Machinery and equipment	3,991,800	1,814,514	(7,000)	-	5,799,314
Total	8,127,685	1,830,014	(7,000)	16,800	9,967,499
Less accumulated depreciation	(4,633,782)	(559,889)	7,000	-	(5,186,671)
Total capital assets being depreciated, net	<u>3,493,903</u>	<u>1,270,125</u>	<u>-</u>	<u>16,800</u>	<u>4,780,828</u>
Capital assets, net	<u>\$ 3,871,904</u>	<u>\$ 1,270,125</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,142,029</u>

Depreciation expense for the year ended June 30, 2025, totaling \$559,889, was charged to public safety expense.

4. LONG-TERM LIABILITIES

In February 2022, the District issued general obligation bonds in the amount of \$1,720,000 to refund the Series 2013 bonds. The bonds were issued at par, carry interest rates of 0.2% to 0.8%, and mature in 2028. The District reduced its debt service payments by \$176,286 over the next 8 years by refunding the prior debt and there was an economic gain on the refunding of \$172,645. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. The difference is deferred and amortized over the shorter of the life of the refunded or refunding debt. At June 30 2025, the District reported deferred inflows of resources in the amount of \$3,097 related to the refunding bonds. The deferred charges are being amortized as a component of interest expense in the statement of activities.

Changes in Long-term Debt

The following is a summary of the changes in long-term debt for the year ended June 30, 2025:

	<u>June 30,</u> <u>2024</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30,</u> <u>2025</u>	<u>Amount Due</u> <u>within</u> <u>One Year</u>
Direct placement					
Bonds payable	\$ 865,000	\$ -	\$ (215,000)	\$ 650,000	\$ 215,000
Premium	-	3,097	(3,097)	-	N/A
Net pension liability	300,482	-	12,032	312,514	-
Compensated absences	69,775	74,172	(17,444)	126,503	126,503
Total	<u>\$ 1,235,257</u>	<u>\$ 77,269</u>	<u>\$ (223,509)</u>	<u>\$ 1,089,017</u>	<u>\$ 341,503</u>

**HYALITE RURAL FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025**

4. LONG-TERM LIABILITIES (Continued)

Debt Service Requirement to Maturity

The approximate annual debt service requirements to maturity, including principal and interest, for bonds payable as of June 30 2025, are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 215,000	\$ 4,662
2027	215,000	3,695
2028	<u>220,000</u>	<u>3,339</u>
	<u>\$ 650,000</u>	<u>\$ 11,696</u>

5. RETIREMENT PLAN - FIREFIGHTERS' UNIFIED RETIREMENT SYSTEM (FURS)

Summary of Significant Accounting Policies

MPERA prepared financial statements using the accrual basis of accounting. The same accrual basis was used by MPERA for the purposes of determining the Net Pension Liability (NPL); Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions; Pension Expense; the Fiduciary Net Position; and, Additions to or Deductions from Fiduciary Net Position. Member contributions are recognized in the period in which contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Revenues are recognized in the accounting period they are earned and become measurable. Benefit payments and refunds are recognized in the accounting period in which they are due and payable in accordance with the benefit terms. Expenses are recognized in the period incurred. Investments are reported at fair value. MPERA adhered to all accounting principles generally accepted by the United States of America. MPERA applied all applicable pronouncements of the Governmental Accounting Standards Board (GASB). The following information for financial reporting as of June 30, 2025, is based on a June 30, 2024 measurement date.

General Information about the Pension Plan

Plan Description

The Firefighters' Unified Retirement System (FURS), administered by the Montana Public Employee Retirement Administration (MPERA), is a multiple-employer, cost-sharing defined benefit plan established in 1981, and governed by Title 19, chapters 2 & 13, Montana Code Annotated (MCA). This plan provides retirement benefits to firefighters employed by first- and second-class cities, other cities and rural fire district departments that adopt the plan, and to firefighters hired by the Montana Air National Guard on or after October 1, 2001. Benefits are established by state law and can only be amended by the Legislature.

Benefits Provided

The FURS provides retirement, disability, and death benefits to plan members and their beneficiaries. Benefits are based on eligibility, years of service, and highest average compensation (HAC). Member rights are vested after five years of service.

**HYALITE RURAL FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025**

5. RETIREMENT PLAN - FIREFIGHTERS' UNIFIED RETIREMENT SYSTEM (Continued)

Service retirement and monthly benefit formula:

- Hired on or after July 1, 1981, or member has elected to be covered by GABA:
 - 20 years of membership service, regardless of age
 - 2.5% of HAC x years of service credit
- Hired prior to July 1981, and who had not elected to be covered by GABA, the greater of above or:
 - If membership service is less than 20 years: 2% of the highest monthly compensation (HMC) for each year of service credit, or
 - If membership service is greater or equal to 20 years: 50% of HMC plus 2% of HMC for each year of service credit in excess of 20
- Early retirement: Age 50 with 5 years of membership service - Normal retirement benefit calculated using HAC and service credit

Second retirement:

Applies to retirement system members re-employed in a FURS position on or after July 1, 2017:

- If the member works more than 480 hours in a calendar year and accumulates less than 5 years of service credit before terminating again, the member:
 - is not awarded service credit for the period of reemployment;
 - is refunded the accumulated contributions associated with the period of reemployment;
 - starting the first month following termination of service, receives the same retirement benefit previously paid to the member; and
 - does not accrue post-retirement benefit adjustments during the term of reemployment but receives a Guaranteed Annual Benefit Adjustment (GABA) in January immediately following second retirement.
- If the member works more than 480 hours in a calendar year and accumulates at least 5 years of service credit before terminating again, the member:
 - is awarded service credit for the period of reemployment;
 - starting the first month following termination of service, receives:
 - ◆ the same retirement benefit previously paid to the member; and
 - ◆ a second retirement benefit for the period of reemployment calculated based on the laws in effect as of the members' rehire date, and
 - does not accrue post-retirement benefit adjustments during the term of reemployment but receives a GABA:
 - ◆ on the initial retirement benefit in January immediately following second retirement, and
 - ◆ on the second retirement benefit starting in January after receiving that benefit for at least 12 months.
 - A member who returns to covered service is not eligible for a disability benefit.

Member's compensation period used in benefit calculation:

- Hired prior to July 1, 1981 and not electing GABA: highest monthly compensation (HMC);
- Hired after June 30, 1981 and those electing GABA: highest average compensation (HAC) during any consecutive 36 months (or shorter period of total service).
- Part-time firefighter: 15% of regular compensation of a newly confirmed full-time firefighter.

**HYALITE RURAL FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025**

5. RETIREMENT PLAN - FIREFIGHTERS' UNIFIED RETIREMENT SYSTEM (Continued)

Compensation Cap

- Hired on or after July 1, 2013: 110% annual cap on compensation considered as a part of a member's HAC.

Guaranteed Annual Benefit Adjustment (GABA)

- Hired on or after July 1, 1997, or those electing GABA, and has been retired for at least 12 months – the member's benefit increases by 3.0% each January.

Minimum Benefit Adjustment (non-GABA)

A member with 10 or more years of membership service who has not elected to be covered under GABA - the minimum benefit provided may not be less than 50% of the monthly compensation paid to a newly confirmed active firefighter of the employer that last employed the member as a firefighter in the current fiscal year.

Contributions

The State Legislature has the authority to establish and amend contribution rates to the plan. Member and employer contribution rates are specified by Montana Statute and are a percentage of the member's compensation. Contributions are deducted from each member's salary and remitted by participating employers.

Special Funding

MCA 19-13-604 requires the State of Montana to contribute a percentage of total compensation directly to the Plan annually after the end of each fiscal year. Member, Employer and State contribution rates are shown in the table below.

Fiscal Year	Member		Employer	State
	Non-GABA	GABA		
1998-2025	9.500 %	10.700 %	14.360 %	32.610 %
1997	7.800 %	-	14.360 %	32.610 %

In accordance with GASB Statement No. 24, on-behalf payments of fringe benefits and salaries for the City are recognized as revenues and expenditures in the fund financial statements. The covered payroll and contributions to the plan for the current year and two previous years are presented in the following table. The amounts contributed for those years were equal to the required contributions for each year. In general, pension contributions are made from the funds in which the related payroll expenses were incurred.

Year Ended June 30	Covered Payroll	Employee Contributions	Employer Contributions	State Contributions
2025	\$ 543,985	\$ 58,207	\$ 78,116	\$ 177,394
2024	\$ 483,218	\$ 51,704	\$ 69,390	\$ 157,577
2023	\$ 385,003	\$ 41,195	\$ 55,286	\$ 125,550

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

GASB Statement 68 allows a measurement date of up to 12 months before the employer's fiscal year-end can be utilized to determine the Plan's Total Pension Liability (TPL). The basis for the TPL as of June 30, 2025, is on an actuarial valuation performed by the Plan's actuary as of June 30, 2024. The TPL minus the Fiduciary Net Position equals the Net Pension Liability (NPL).

HYALITE RURAL FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

5. RETIREMENT PLAN - FIREFIGHTERS' UNIFIED RETIREMENT SYSTEM (Continued)

The proportionate shares of the employer's and the State of Montana's NPL for reporting dates June 30, 2025, and 2024, are displayed below. The employer's proportionate share equals the ratio of the employer's contributions to the sum of all employer and non-employer contributions during the measurement period. Due to the existence of the special funding situation, the state is required to report a proportionate share of a local government's collective NPL that is associated with the non-state employer. The state's proportionate share for a particular employer equals the ratio of the contributions for the particular employer to the total state contributions paid. The employer recorded a liability of \$279,040 and the employer's proportionate share was 0.2060%.

	Net Pension Liability as of 6/30/2025	Net Pension Liability as of 6/30/2024	Percent of Collective NPL as of 6/30/2025	Percent of Collective NPL as of 6/30/2024	Change in Percent of Collective NPL
Employer Proportionate share	\$ 279,040	\$ 269,849	0.2060 %	0.1787 %	0.0273 %
State of Montana Proportionate share associated with Employer	<u>633,070</u>	<u>612,460</u>	<u>0.4673 %</u>	<u>0.4057 %</u>	<u>0.0616 %</u>
Total	<u>\$ 912,110</u>	<u>\$ 882,309</u>	<u>0.6733 %</u>	<u>0.5844 %</u>	<u>0.0889 %</u>

Changes in Actuarial Assumptions and Methods

There have been no changes to the actuarial assumptions or other inputs that affected the measurement of the TPL since the previous measurement date.

Changes in Benefit Terms

There have been no changes in benefit terms since the previous measurement date.

Changes in Proportionate Share

There were no changes to the Plan between the measurement date of the collective NPL and the employer's reporting date that are expected to have a significant effect on the employer's proportionate share of the collective NPL.

Pension Expense

At June 30, 2025 reporting date, the employer recognized its proportionate share of the Plan's pension expense of \$78,794. The employer also recognized grant revenue of \$156,865 for the support provided by the State of Montana for its proportionate share of the pension expense that is associated with the employer.

	Pension Expense as of June 30, 2025
Employer Proportionate share	\$ 78,794
State of Montana Proportionate share associated with Employer	<u>156,865</u>
Total	<u>\$ 235,659</u>

HYALITE RURAL FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

5. RETIREMENT PLAN - FIREFIGHTERS' UNIFIED RETIREMENT SYSTEM (Continued)

Recognition of Deferred Inflows and Outflows

At June 30, 2025 reporting date, the employer reported its proportionate share of the Plan's deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$ 30,752	\$ -
Changes in assumptions	-	6,724
Difference between projected and actual earnings on pension plan investments	47,978	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	38,270	-
Contributions paid subsequent to the measurement date	78,116	-
	<u>195,116</u>	<u>6,724</u>
Total	<u>\$ 195,116</u>	<u>\$ 6,724</u>

Deferred outflows of resources related to pensions resulting from the District's contributions subsequent to the measurement date in the amount of \$78,116 will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

FURS	For the reporting year ended June 30:	Recognition of Deferred Outflows and Deferred Inflows in future years as an increase or (decrease) to Pension Expense
	2026	\$ 19,298
	2027	58,197
	2028	21,879
	2029	4,535
	Thereafter	6,366

Actuarial Assumptions

The total pension liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions.

Investment Return (net of admin expense)	7.30%
General Wage Growth *	3.50%
*includes Inflation at	2.75%
Merit Increases	1% to 6.40%

**HYALITE RURAL FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025**

5. RETIREMENT PLAN - FIREFIGHTERS' UNIFIED RETIREMENT SYSTEM (Continued)

<p>Postretirement Benefit Increases</p> <ol style="list-style-type: none"> Guaranteed Annual Benefit Adjustment (GABA) each January <ul style="list-style-type: none"> Members hired on or after July 1, 1997 or those electing GABA Requires 12 full months of retirement before GABA will be made Minimum Benefit Adjustment (non-GABA) <ul style="list-style-type: none"> Members with 10 or more years of membership service and member did not elect GABA 	<p>3.0%</p> <p>The minimum benefit provided should be less than 50% of the current base compensation of a newly confirmed active firefighter of the employer that last employed the member as a firefighter.</p>
<p>Mortality:</p> <ul style="list-style-type: none"> Active Participants Healthy Retirees 	<p>PUB-2010 Safety Amount Weighted Employee Mortality Table projected to 2021 for males and females. Projected generationally using MP-2021.</p> <p>PUB-2010 Safety Amount Weighted Healthy Retiree Mortality Table projected to 2021, set forward one year for males, adjusted 105% for males and 100% for females. Projected generationally using MP-2021.</p>
<p>Mortality continued:</p> <ul style="list-style-type: none"> Contingent Survivors Disabled Retirees 	<p>PUB-2010 Safety Amount Weighted Contingent Mortality Table projected to 2021, set forward one year for males. Projected generationally using MP-2021 .</p> <p>PUB-2010 Amount Weighted Disabled Retiree Mortality Table projected to 2021, set forward one year for males.</p>

The actuarial assumptions and methods utilized in the June 30, 2024 valuation were developed in the five-year experience study for the period ending June 30, 2021. However, the current long-term rate of return is based on analysis in the experience study, without consideration for the administrative expense analysis shown in the experience study.

Discount Rate

The discount rate used to measure the TPL was 7.30%. The projection of cash flows used to determine the discount rate assumed that contributions from participating plan members, employers, and non-employer contributing entities would be made based on the Board's funding policy, which established the contractually required rates under the Montana Code Annotated. The state contributed 32.61% of the salaries paid by employers. Based on those assumptions, the Plan's fiduciary net position was projected to be adequate to make all the projected future benefit payments of current plan members through the year 2133. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL. A municipal bond rate was not incorporated in the discount rate.

HYALITE RURAL FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

5. RETIREMENT PLAN - FIREFIGHTERS' UNIFIED RETIREMENT SYSTEM (Continued)

Target Allocations

The long-term expected rate of return on pension plan investments is reviewed as part of regular experience studies prepared for the Plan about every five years. The long-term rate of return as of June 30, 2024, is based on analysis in the experience study report dated May 2, 2022 without consideration for the administrative expense analysis shown in the experience study. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and an analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation), along with estimates of variability and correlations for each asset class. These ranges were combined to develop the long-term expected rate of return weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is intended to be a long-term assumption (30 to 50 years) and is not expected to change absent a significant change in the asset allocation, a change in the underlying inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The target asset allocation and best estimate of arithmetic real rates of return for each major asset class as of the most recent experience study, are summarized in the following table.

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return Arithmetic
Cash	3.0 %	(0.33)%
Domestic equity	30.0 %	5.90 %
International equity	17.0 %	7.14 %
Private investments	15.0 %	9.13 %
Natural resources	5.0 %	4.03 %
Real estate	9.0 %	5.41 %
Core fixed income	15.0 %	1.14 %
Non-core fixed income	6.0 %	3.02 %

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the employer's sensitivity of the NPL to the discount rate in the table below. A small change in the discount rate can create a significant change the liability. The NPL was calculated using the discount rate of 7.30%, as well as what the NPL would be if it were calculated using a discount rate 1.00% lower or 1.00% higher than the current rate.

	1.0% Decrease (6.30%)	Current Discount Rate	1.0% Increase (8.30%)
FURS Employer's proportion of Net Pension Liability	\$ 551,363	\$ 279,040	\$ 61,654

Pension Plan Fiduciary Net Position

The stand-alone financial statements of the Montana Public Employees Retirement Board (PERB) Annual Comprehensive Financial Report (ACFR) and the GASB 68 Report disclose the Plan's fiduciary net position. The reports, as well as actuarial valuations and experience study, are available from the PERB at PO Box 200131, Helena MT 59620-0131, (406) 444-3154 or are available on the MPERA website at: <http://mpera.mt.gov/about/annualreports1/annualreports>.

**HYALITE RURAL FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025**

6. RETIREMENT PLAN - PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)

Summary of Significant Accounting Policies

MPERA prepared financial statements using the accrual basis of accounting. The same accrual basis was used by MPERA for the purposes of determining the Net Pension Liability (NPL); Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions; Pension Expense; the Fiduciary Net Position; and, Additions to or Deductions from Fiduciary Net Position. Member contributions are recognized in the period in which contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Revenues are recognized in the accounting period they are earned and become measurable. Benefit payments and refunds are recognized in the accounting period in which they are due and payable in accordance with the benefit terms. Expenses are recognized in the period incurred. Investments are reported at fair value. MPERA adhered to all accounting principles generally accepted by the United States of America. MPERA applied all applicable pronouncements of the Governmental Accounting Standards Board (GASB).

General Information about the Pension Plan

Plan Description

The PERS-Defined Benefit Retirement Plan (DBRP), administered by the Montana Public Employee Retirement Administration (MPERA), is a multiple-employer, cost-sharing plan established July 1, 1945, and governed by Title 19, chapters 2 & 3, Montana Code Annotated MCA. This plan provides retirement benefits to covered employees of the State, and local governments, and certain employees of the Montana University System, and school districts. Benefits are established by state law and can only be amended by the Legislature.

All new members are initially members of the PERS-DBRP and have a 12-month window during which they choose to remain in the PERS-DBRP or join the PERS-DCRP by filing an irrevocable election. Members may not be participants of both the defined benefit and defined contribution retirement plans. All new members from the universities also have a third option to join the university system's Montana University System Retirement Program (MUS-RP).

Benefits Provided

The PERS-DBRP provides retirement, disability, and death benefits to plan members and their beneficiaries. Benefits are based on eligibility, years of service, and highest average compensation (HAC). Member rights are vested after five years of service.

Service retirement:

- Hired prior to July 1, 2011:
 - Age 60, 5 years of membership service
 - Age 65, regardless of membership service
 - Any age, 30 years of membership service
- Hired on or after July 1, 2011:
 - Age 65, 5 years of membership service
 - Age 70, regardless of membership service

**HYALITE RURAL FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025**

6. RETIREMENT PLAN - PUBLIC EMPLOYEES' RETIREMENT SYSTEM (Continued)

Early retirement:

- Hired prior to July 1, 2011:
 - Age 50, 5 years of membership service
 - Any age, 25 years of membership service
- Hired on or after July 1, 2011:
 - Age 55, 5 years of membership service

Second retirement: (requires returning to PERS-covered employer or PERS service)

- Retired before January 1, 2016 and accumulate less than 2 years additional service credit or retired on or after January 1, 2016 and accumulate less than 5 years additional service credit:
 - A refund of member's contributions plus return interest (currently 2.02% effective July 1, 2018).
 - No service credit for second employment;
 - Start the same benefit amount the month following termination; and
 - Guaranteed Annual Benefit Adjustment (GABA) starts again in the January immediately following the second retirement.
- Retired before January 1, 2016 and accumulate at least 2 years of additional service credit:
 - A recalculated retirement benefit based on provisions in effect after the initial retirement; and
 - GABA starts on the recalculated benefit in the January after receiving the new benefit for 12 months.
- Retired on or after January 1, 2016 and accumulate 5 or more years of service credit:
 - The same retirement as prior to the return to service;
 - A second retirement benefit as prior to the second period of service based on laws in effect upon the rehire date; and
 - GABA starts on both benefits in the January after receiving the original and the new benefit for 12 months.

Member's highest average compensation (HAC)

- Hired prior to July 1, 2011 - highest average compensation during any consecutive 36 months;
- Hired on or after July 1, 2011 - highest average compensation during any consecutive 60 months;

Compensation Cap

- Hired on or after July 1, 2013 – 110% annual cap on compensation considered as a part of a member's highest average compensation.

Monthly benefit formula

- Members hired prior to July 1, 2011
 - Less than 25 years of membership service: 1.785% of HAC per year of service credit;
 - 25 years of membership service or more: 2% of HAC per year of service credit.
- Members hired on or after July 1, 2011
 - Less than 10 years of membership service: 1.5% of HAC per year of service credit;
 - 10 years or more, but less than 30 years of membership service: 1.785% of HAC per year of service credit;
 - 30 years or more of membership service: 2% of HAC per year of service credit.

**HYALITE RURAL FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025**

6. RETIREMENT PLAN - PUBLIC EMPLOYEES' RETIREMENT SYSTEM (Continued)

Guaranteed Annual Benefit Adjustment (GABA)

After the member has completed 12 full months of retirement, the member's benefit increases by the applicable percentage (provided below) each January, inclusive of all other adjustments to the member's benefit.

- 3.0% for members hired prior to July 1, 2007
- 1.5% for members hired between July 1, 2007 and June 30, 2013
- Members hired on or after July 1, 2013:
 - 1.5% for each year PERS is funded at or above 90%;
 - 1.5% reduced by 0.1% for each 2.0% PERS is funded below 90%; and
 - 0% whenever the amortization period for PERS is 40 years or more.

Contributions

The state Legislature has the authority to establish and amend contribution rates. Member and employer contribution rates are specified by Montana Statute and are a percentage of the member's compensation. Contributions are deducted from each member's salary and remitted by participating employers.

Special Funding

The State of Montana, as the non-employer contributing entity, paid to the Plan, additional contributions that qualify as special funding. Those employers who received special funding are all participating employers.

Not Special Funding

Per Montana law, state agencies and universities paid their own additional contributions. The employer paid contributions are not accounted for as special funding for state agencies and universities but are reported as employer contributions.

Member and employer contribution rates are shown in the table below.

Fiscal Year	Member		Local Government	
	Hired before 7/1/2011	Hired after 7/1/2011	Employer	State
2025	7.90 %	7.90 %	9.07 %	0.10 %
2024	7.90 %	7.90 %	9.07 %	0.10 %
2023	7.90 %	7.90 %	8.97 %	0.10 %
2022	7.90 %	7.90 %	8.87 %	0.10 %
2021	7.90 %	7.90 %	8.77 %	0.10 %
2020	7.90 %	7.90 %	8.67 %	0.10 %
2019	7.90 %	7.90 %	8.57 %	0.10 %
2018	7.90 %	7.90 %	8.47 %	0.10 %
2017	7.90 %	7.90 %	8.37 %	0.10 %
2016	7.90 %	7.90 %	8.27 %	0.10 %
2015	7.90 %	7.90 %	8.17 %	0.10 %
2014	7.90 %	7.90 %	8.07 %	0.10 %
2012-2013	6.90 %	7.90 %	7.07 %	0.10 %
2010-2011	6.90 %		7.07 %	0.10 %
2008-2009	6.90 %		6.94 %	0.10 %
2000-2007	6.90 %		6.80 %	0.10 %

**HYALITE RURAL FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025**

6. RETIREMENT PLAN - PUBLIC EMPLOYEES' RETIREMENT SYSTEM (Continued)

1. Member contributions to the system of 7.9% are temporary and will be decreased to 6.9% on January 1 following actuary valuation results that show the amortization period has dropped below 25 years and would remain below 25 years following the reduction of both the additional employer and additional member contribution rates.
2. Employer contributions to the system:
 - a. Effective July 1, 2014, following the 2013 Legislative session, PERS-employer contributions increase an additional 0.1% a year and will continue over 10 years through 2024. For fiscal years beginning after June 30, 2024, the additional contribution amount stays at 2.27%. The additional employer contributions including the 0.27% added in 2007 and 2009, will terminate on January 1 following actuary valuation results that show the amortization period has dropped below 25 years and would remain below the 25 years following the reduction of both the additional employer and additional member contributions rates.
 - b. Effective July 1, 2013, employers are required to make contributions on working retirees' compensation. Member contributions for working retirees are not required.
 - c. The portion of employer contributions allocated to the Plan Choice Rate (PCR) are included in the employers reporting. The PCR was paid off effective March 2016 and the contributions previously directed to the PCR are now directed to member accounts.
3. Non-Employer Contributions:
 - a. Special Funding
 - i. The state contributed 0.1% of members' compensation on behalf of local government entities.
 - ii. The state contributed .37% of members' compensation on behalf of school district entities.
 - iii. The state contributed a Statutory Appropriation from the General Fund of \$35,329,705.

In accordance with GASB Statement No. 24, on-behalf payments of fringe benefits and salaries for the City are recognized as revenues and expenditures in the fund financial statements. The covered payroll and contributions to the plan for the current year and two previous years are presented in the following table. The amounts contributed for those years were equal to the required contributions for each year. In general, pension contributions are made from the funds in which the related payroll expenses were incurred.

Year Ended June 30	Covered Payroll	Employee Contributions	Employer Contributions	State Contributions
2025	\$ 26,939	\$ 2,128	\$ 2,443	\$ 27
2024	\$ 26,815	\$ 2,118	\$ 2,432	\$ 27
2023	\$ 23,338	\$ 1,844	\$ 2,093	\$ 23

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

GASB Statement 68 allows a measurement date of up to 12 months before the employer's fiscal year-end can be utilized to determine the Plan's TPL. The basis for the TPL as of June 30, 2025, is on an actuarial valuation performed by the Plan's actuary as of June 30, 2024.

HYALITE RURAL FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

6. RETIREMENT PLAN - PUBLIC EMPLOYEES' RETIREMENT SYSTEM (Continued)

The Total Pension Liability (TPL) minus the Fiduciary Net Position equals the Net Pension Liability (NPL). The proportionate shares of the employer's and the state of Montana's NPL for reporting dates June 30, 2025 and 2024, are displayed below. The employer's proportionate share equals the ratio of the employer's contributions to the sum of all employer and non-employer contributions during the measurement period. The State's proportionate share for a particular employer equals the ratio of the contributions for the particular employer to the total state contributions paid. The employer recorded a liability of \$33,474 and the employer's proportionate share was 0.001369%.

	Net Pension Liability as of 6/30/2025	Net Pension Liability as of 6/30/2024	Percent of Collective NPL as of 6/30/2025	Percent of Collective NPL as of 6/30/2024	Change in Percent of Collective NPL
Employer Proportionate share	\$ 33,474	\$ 30,633	0.001369 %	0.001255 %	0.000114 %
State of Montana proportionate share associated with Employer	<u>8,663</u>	<u>8,430</u>	<u>0.000354 %</u>	<u>0.000345 %</u>	<u>0.000009 %</u>
Total	<u>\$ 42,137</u>	<u>\$ 39,063</u>	<u>0.001723 %</u>	<u>0.001600 %</u>	<u>0.000123 %</u>

Changes in Actuarial Assumptions and Methods

There have been no changes to the actuarial assumptions or other inputs that affected the measurement of the TPL since the previous measurement date

Changes in Benefit Terms

There have been no changes in benefit terms since the previous measurement date.

Changes in Proportionate Share

There were no changes between the measurement date of the collective NPL and the employer's reporting date that are expected to have a significant effect on the employer's proportionate share of the collective NPL.

Pension Expense

At June 30, 2025 reporting date, the employer recognized a Pension Expense of \$(1,483) for its proportionate share of the Plan's pension expense. The employer also recognized grant revenue of \$464 for the support provided by the State of Montana for its proportionate share of the pension expense associated with the employer.

	Pension Expense as of June 30, 2025
Employer Proportionate share	\$ (1,483)
State of Montana Proportionate share associated with Employer	<u>464</u>
Total	<u>\$ (1,019)</u>

HYALITE RURAL FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

6. RETIREMENT PLAN - PUBLIC EMPLOYEES' RETIREMENT SYSTEM (Continued)

Recognition of Deferred Inflows and Outflows

At June 30, 2025 reporting date, the employer reported its proportionate share of the Plan's deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$ 1,692	\$ -
Changes in assumptions	-	744
Difference between projected and actual earnings on pension plan investments	-	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,036	-
Contributions paid subsequent to the measurement dates	2,443	-
	<u>2,443</u>	<u>-</u>
Total	<u>\$ 5,171</u>	<u>\$ 744</u>

Deferred outflows of resources related to pensions resulting from the District's contributions subsequent to the measurement date in the amount of \$2,443 will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

PERS	For the reporting year ended June 30:	Recognition of Deferred Outflows and Deferred Inflows in future years as an increase or (decrease) to Pension Expense
	2026	\$ (292)
	2027	3,119
	2028	(523)
	2029	(321)
	Thereafter	-

Actuarial Assumptions

The total pension liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions.

Investment Return (net of admin expense)	7.30%
General Wage Growth *	3.50%
*includes Inflation at	2.75%
Merit Increases	0% to 4.80%

**HYALITE RURAL FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025**

6. RETIREMENT PLAN - PUBLIC EMPLOYEES' RETIREMENT SYSTEM (Continued)

<p>Postretirement Benefit Increases</p> <p>1. Guaranteed Annual Benefit Adjustment (GABA) each January</p> <ul style="list-style-type: none"> • After the member has completed 12 full months of retirement, the member's benefit increases by the applicable percentage (provided below) each January, inclusive of all other adjustments to the member's benefit. <ul style="list-style-type: none"> • Members hired prior to July 1, 2007 • Members hired between July 1, 2007 & June 30, 2013 • Members hired on or after July 1, 2013 <ul style="list-style-type: none"> ◦ For each year PERS is funded at or above 90% <ul style="list-style-type: none"> ◆ The 1.5% is reduced by 0.1% for each 2.0% PERS is funded below 90% ◦ 0% whenever the amortization period for PERS is 40 years or more 	<p>3.0%</p> <p>1.5%</p> <p>1.5%</p> <p>0%</p>
<p>Mortality:</p> <ul style="list-style-type: none"> • Active Participants • Disabled Retirees • Contingent Survivors • Healthy Retirees 	<p>PUB-2010 General Amount Weighted Employer Mortality projected to 2021 for males and females. Projected generationally using MP-2021.</p> <p>PUB-2010 General Amount Weighted Disabled Retiree Mortality table, projected to 2021, set forward one year for both males and females.</p> <p>PUB-2010 General Amount Weighted Contingent Survivor Mortality projected to 2021 with ages set forward one year for males and females. Projected generationally using MP-2021.</p> <p>PUB-2010 General Amount Weighted Healthy Retiree Mortality table projected to 2021, with ages set forward one year and adjusted 104% for males and 103% for females. Projected generationally using MP-2021</p>

The actuarial assumptions and methods utilized in the June 30, 2024 valuation were developed in the five-year experience study for the period ending 2021. However, the current long-term rate is based on analysis in the experience study, without the consideration for the administrative expenses analysis shown in the experience study.

**HYALITE RURAL FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025**

6. RETIREMENT PLAN - PUBLIC EMPLOYEES' RETIREMENT SYSTEM (Continued)

Discount Rate

The discount rate used to measure the TPL was 7.30%. The projection of cash flows used to determine the discount rate assumed that contributions from participating plan members, employers, and non-employer contributing entities would be made based on the Board's funding policy, which established the contractually required rates under the Montana Code Annotated. The state contributed 0.10% of the salaries paid by local governments and 0.37% paid by school districts. In addition, the state contributed a statutory appropriation from the general fund.

Based on those assumptions, the Plan's fiduciary net position was projected to be adequate to make all the projected future benefit payments of current plan members through the year 2128. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL. A municipal bond rate was not incorporated in the discount rate.

Target Allocations

The long-term expected rate of return on pension plan investments is reviewed as part of regular experience studies prepared for the Plan about every five years. The long-term rate of return as of June 30, 2024, is based on analysis in the experience study report dated May 2, 2022 without consideration for the administrative expense analysis shown in the experience study. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and an analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation), along with estimates of variability and correlations for each asset class. These ranges were combined to develop the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is intended to be a long-term assumption (30 to 50 years) and is not expected to change absent a significant change in the asset allocation, a change in the underlying inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The target asset allocation and best estimate of arithmetic real rates of return for each major asset class as of the most recent experience study, are summarized in the following table.

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return Arithmetic
Cash	3.0 %	(0.33)%
Domestic equity	30.0 %	5.90 %
International equity	17.0 %	7.14 %
Private investments	15.0 %	9.13 %
Real Assets	5.0 %	4.03 %
Real Estate	9.00 %	5.41 %
Core fixed income	15.0 %	1.14 %
Non-core fixed income	6.0 %	3.02 %

**HYALITE RURAL FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025**

6. RETIREMENT PLAN - PUBLIC EMPLOYEES' RETIREMENT SYSTEM (Continued)

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the employer's sensitivity of the NPL to the discount rate in the table below. A small change in the discount rate can create a significant change in the liability. The NPL was calculated using the discount rate of 7.30%, as well as what the NPL would be if it were calculated using a discount rate 1.00% lower or 1.00% higher than the current rate.

	1.0% Decrease (6.30%)	Current Discount Rate	1.0% Increase (8.30%)
PERS Employer's proportion of Net Pension Liability	\$ 48,797	\$ 33,474	\$ 20,624

PERS Disclosure for the Defined Contribution Plan

The District contributed to the state of Montana Public Employee Retirement System Defined Contribution Retirement Plan (PERS- DCRP) for employees that have elected the DCRP. The PERS-DCRP is administered by the PERB and is reported as a multiple- employer plan established July 1, 2002, and governed by Title 19, chapters 2 & 3, MCA.

All new PERS members are initially members of the PERS-DBRP and have a 12-month window during which they may choose to remain in the PERS-DBRP or join the PERS-DCRP by filing an irrevocable election. Members may not be participants of both the defined benefit and defined contribution retirement plans.

Member and employer contribution rates are specified by state law and are a percentage of the member's compensation. Contributions are deducted from each member's salary and remitted by participating employers. The Montana Legislature has the authority to establish and amend contribution rates.

Benefits are dependent upon eligibility and individual account balances. Participants are vested immediately in their own contributions and attributable income. Participants are vested after 5 years of membership service for the employer's contributions to the individual accounts and the attributable income. Non-vested contributions are forfeited upon termination of employment per 19-3-2117(5), MCA. Such forfeitures are used to cover the administrative expenses of the PERS-DCRP.

Pension plan fiduciary net position: The stand-alone financial statements (76d) of the Montana Public Employees Retirement Board (PERB) *Annual Comprehensive Financial Report* (ACFR) and the GASB 68 Report disclose the Plan's fiduciary net position. These reports, as well as actuarial valuations and experience study, are available from the PERB at PO Box 200131, Helena MT 59620-0131, (406) 444-3154 are available on the MPERA website at <http://mpera.mt.gov/about/annualreports1/annualreports>.

HYALITE RURAL FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

7. RETIREMENT PLANS - PENSION AMOUNTS

	Employer's proportionate share		
	FURS	PERS	Total
Net Pension Liability (NPL)	\$ 279,040	\$ 33,474	\$ 312,514
Deferred outflows of resources	\$ 195,116	\$ 5,171	\$ 200,287
Deferred inflows of resources	\$ 6,724	\$ 744	\$ 7,468
Pension expense	\$ 235,659	\$ (1,019)	\$ 234,640

8. RISK MANAGEMENT

The District's risk management activities are recorded in the general fund. Significant losses for public officials, automobile, property and general liability are covered by commercial insurance policies. The District also participates in the State Unemployment and Workers' Compensation programs for losses due to employee life and health risk. There have been no significant reductions in insurance coverage.

9. SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 18, 2025, the date on which the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

HYALITE RURAL FIRE DISTRICT
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
FOR THE LAST TEN FISCAL YEARS*
Year Ended June 30, 2025

Year ended June 30:	Employer's proportion of the net pension liability	Employer's proportionate share of the net pension liability associated with the employer	State of Montana's proportionate share of the net pension liability associated with the employer	Total	Employer's covered payroll **	Employer's proportionate share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
FIREFIGHTERS' UNIFIED RETIREMENT SYSTEM							
2024	0.206000%	\$ 279,040	\$ 633,070	\$ 912,110	\$ 483,218	57.750%	83.970%
2023	0.178700%	\$ 269,849	\$ 612,460	\$ 882,309	\$ 385,003	70.090%	81.000%
2022	0.175000%	\$ 278,010	\$ 628,985	\$ 906,995	\$ 339,124	81.979%	78.760%
2021	0.142800%	\$ 122,243	\$ 277,452	\$ 399,695	\$ 262,873	46.503%	87.720%
2020	0.142500%	\$ 223,033	\$ 502,791	\$ 725,824	\$ 248,817	89.637%	75.370%
2019	0.148900%	\$ 170,778	\$ 413,027	\$ 583,805	\$ 258,159	66.152%	80.080%
2018	0.146000%	\$ 168,194	\$ 384,585	\$ 552,779	\$ 230,001	73.128%	79.030%
2017	0.123500%	\$ 139,567	\$ 316,941	\$ 456,508	\$ 184,583	75.612%	77.770%
2016	0.125200%	\$ 143,015	\$ 324,027	\$ 467,042	\$ 176,328	81.107%	75.480%
2015	0.131210%	\$ 134,197	\$ 298,893	\$ 433,090	\$ 176,326	76.107%	76.900%
PUBLIC EMPLOYEES' RETIREMENT SYSTEM							
2024	0.001369%	\$ 33,474	\$ 8,663	\$ 42,137	\$ 26,815	124.830%	74.770%
2023	0.001255%	\$ 30,633	\$ 8,430	\$ 39,063	\$ 23,338	131.258%	73.930%
2022	0.001356%	\$ 32,253	\$ 9,595	\$ 41,848	\$ 23,837	135.306%	73.660%
2021	0.001805%	\$ 32,723	\$ 9,602	\$ 42,325	\$ 31,878	102.651%	79.910%
2020	0.001853%	\$ 48,880	\$ 15,428	\$ 64,308	\$ 31,086	157.241%	68.900%
2019	0.000000%	\$ -	\$ -	\$ -	\$ -	0.000%	73.850%
2018	0.000000%	\$ -	\$ -	\$ -	\$ 9,770	0.000%	73.470%
2017	0.000000%	\$ -	\$ -	\$ -	\$ 38,930	0.000%	73.750%
2016	0.001171%	\$ 19,947	\$ 244	\$ 20,191	\$ 14,027	142.204%	74.710%
2015	0.002495%	\$ 34,880	\$ 429	\$ 35,309	\$ 29,120	119.780%	78.400%

*The amounts presented above for each fiscal year were determined as of June 30th, the measurement date.

**All employer adjustments made in the current fiscal year that are adjusting a payroll with a pay date in a prior fiscal year, are considered prior year adjustments and are removed from the covered payroll report but the actuary calculates the employers proportionate share

**HYALITE RURAL FIRE DISTRICT
SCHEDULE OF CONTRIBUTIONS
FOR THE LAST TEN FISCAL YEARS*
Year Ended June 30, 2025**

Year ended June 30:	Contractually required contributions	Contributions in relation to the contractually required contributions	Contribution deficiency (excess)	Employer's covered payroll **	Contributions as a % of covered payroll
FIREFIGHTERS' UNIFIED RETIREMENT SYSTEM					
2025	\$ 78,116	\$ 78,116	\$ -	\$ 543,985	14.360%
2024	\$ 69,390	\$ 69,390	\$ -	\$ 483,218	14.360%
2023	\$ 55,286	\$ 55,286	\$ -	\$ 385,003	14.360%
2022	\$ 48,698	\$ 48,698	\$ -	\$ 339,124	14.360%
2021	\$ 37,606	\$ 37,606	\$ -	\$ 262,873	14.306%
2020	\$ 36,624	\$ 36,624	\$ -	\$ 248,817	14.719%
2019	\$ 35,577	\$ 35,577	\$ -	\$ 258,159	13.781%
2018	\$ 33,853	\$ 33,853	\$ -	\$ 230,001	14.719%
2017	\$ 26,506	\$ 26,506	\$ -	\$ 184,583	14.360%
2016	\$ 25,210	\$ 25,210	\$ -	\$ 176,328	14.297%

Year ended June 30:	Contractually required contributions	Plan choice rate required contributions	Contributions in relation to the contractually required contributions	Contribution deficiency (excess)	Employer's covered payroll **	Contributions as a % of covered payroll
PUBLIC EMPLOYEES' RETIREMENT SYSTEM						
2025	\$ 2,443	\$ -	\$ 2,443	\$ -	\$ 26,939	9.069%
2024	\$ 2,432	\$ -	\$ 2,432	\$ -	\$ 26,815	9.070%
2023	\$ 2,093	\$ -	\$ 2,093	\$ -	\$ 23,338	8.968%
2022	\$ 2,114	\$ -	\$ 2,114	\$ -	\$ 23,837	8.869%
2021	\$ 2,825	\$ -	\$ 2,825	\$ -	\$ 31,878	8.862%
2020	\$ 2,724	\$ -	\$ 2,724	\$ -	\$ 31,086	8.763%
2019	\$ -	\$ -	\$ -	\$ -	\$ -	0.000%
2018	\$ -	\$ -	\$ -	\$ -	\$ -	0.000%
2017	\$ -	\$ -	\$ -	\$ -	\$ -	0.000%
2016	\$ 1,172	\$ 367	\$ 1,540	\$ -	\$ 14,027	10.980%

*The amounts presented above for each fiscal year were determined as of June 30th, the measurement date.

**All employer adjustments made in the current fiscal year that are adjusting a payroll with a pay date in a prior fiscal year, are considered prior year adjustments and are removed from the covered payroll report but the actuary calculates the employers proportionate share.

HYALITE RURAL FIRE DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
GENERAL FUND
June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Over (Under)
REVENUES				
Property taxes	\$ 2,006,916	\$ 2,006,916	\$ 2,238,515	\$ 231,599
Intergovernmental	169,461	169,461	225,211	55,750
Charges for services	-	-	82,883	82,883
Interest	80,000	80,000	128,526	48,526
Contributions and donations	1,000	1,000	-	(1,000)
Miscellaneous	45,000	45,000	67,812	22,812
Total revenues	<u>2,302,377</u>	<u>2,302,377</u>	<u>2,742,947</u>	<u>440,570</u>
EXPENDITURES				
Current:				
Public safety	1,707,100	1,707,100	1,655,386	(51,714)
Capital outlay	<u>1,707,998</u>	<u>1,707,998</u>	<u>1,830,014</u>	<u>122,016</u>
Total expenditures	<u>3,415,098</u>	<u>3,415,098</u>	<u>3,485,400</u>	<u>70,302</u>
OTHER FINANCING USES				
Transfers out	<u>(220,093)</u>	<u>(220,093)</u>	<u>(219,233)</u>	<u>860</u>
Net change in fund balance	<u><u>\$ (1,332,814)</u></u>	<u><u>\$ (1,332,814)</u></u>	<u>(961,686)</u>	<u><u>\$ 371,128</u></u>
Fund balance, beginning of the year			<u>3,809,105</u>	
Fund balance, end of year			<u><u>\$ 2,847,419</u></u>	

HYALITE RURAL FIRE DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
Year Ended June 30, 2025

1. BUDGET COMPLIANCE

In accordance with Section 7-33-2105, Montana Code Annotated, the District's Board annually presents its budget to the Board of County Commissioners at the regular budget meetings as prescribed by law and therewith certifies the amount of money necessary and proper for the ensuing year. Based on this statute, the total budget is the legal level of budgetary authority. State law requires only that a fund's total expenditures not exceed total budgeted expenditures. Budgets may be amended as defined by State law.

2. BUDGET BASIS OF ACCOUNTING

The budget is prepared on the same basis of accounting used in preparing the District's fund financial statements.

3. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

Total expenditures were not in excess of the total budgeted expenditures during the year ended June 30, 2025.

4. CHANGES OF BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS AND METHODS - PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)

Changes in Benefit Terms

The following changes to the plan provision were made as identified:

2017

Working Retiree Limitations

Effective July 1, 2017, if a PERS retiree returns as an independent contractor to what would otherwise be PERS-covered employment, general contractor overhead costs are excluded from PERS working retiree limitations.

Refunds

1. Terminating members eligible to retire may, in lieu of receiving a monthly retirement benefit, refund their accumulated contributions in a lump sum.
2. Terminating members with accumulated contributions between \$200 and \$1,000 who wish to rollover their refund must do so within 90 days of termination of service.
3. Trusts, estates, and charitable organizations listed as beneficiaries are entitled to receive only a lump-sum payment.

Lump-sum Payouts

Effective July 1, 2017, lump-sum payouts in all systems are limited to the member's accumulated contributions rate than the present value of the member's benefit.

HYALITE RURAL FIRE DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
Year Ended June 30, 2025

4. CHANGES OF BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS AND METHODS - PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS) (Continued)

Disabled PERS Defined Contribution (DC) Members

PERS members hired after July 1, 2011 have a normal retirement age of 65. PERS DC members hired after July 1, 2011 who become disable were previously only eligible for a disability benefit until age 65. Effective July 1, 2017, these individuals will be eligible for a disability benefit until they reach 70, thus ensuring the same 5-year time period available to PERS DC disabled members hired prior to July 1, 2011 who have a normal retirement age of 60 and are eligible for a disability benefit until age 65.

Changes in Actuarial Assumptions and Methods

Method and assumptions used in calculations of actuarially determined contributions

The following actuarial assumptions were used to determine contribution rates reported for fiscal year ending June 30, 2024, which were based on the results of the June 30, 2023 actuarial valuation:

General Wage Growth*	3.50%
Investment rate of return	7.30%
*Includes inflation rate at	2.75%
Merit salary increases	0% to 8.47%
Asset valuation method	4-year smoothed market
Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, open
Remaining amortization period	30 years
Mortality (Healthy members)	For males and females: RP 2000 combined employee and annuitant mortality table projected to 2020 using scale BB, males set back 1 year
Mortality (Disabled members)	For males and females: RP 2000 combined mortality table, with no projections
Admin Expense as % of Payroll	0.29%

Administrative expenses are recognized by an additional amount added to the normal cost contribution rate for the System. The amount varies from year to year based on the prior year's actual administrative expenses.

The actuarial assumptions and methods utilized in the June 30, 2023 valuation, were developed in the five-year experience study for the period ending 2021.

5. CHANGES OF BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS AND METHODS - FIREFIGHTERS' UNIFIED RETIREMENT SYSTEM (FURS)

Changes in Benefit Terms

The following changes to the plan provision were made as identified:

2017

Working Retiree Limitations

Applies to retirement system members who return on or after July 1, 2017 to covered employment in the system from which they retired.

HYALITE RURAL FIRE DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
Year Ended June 30, 2025

5. CHANGES OF BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS AND METHODS - FIREFIGHTERS' UNIFIED RETIREMENT SYSTEM (FURS) (Continued)

- Members who return for less than 480 hours in a calendar year:
 - May not become an active member in the system; and
 - Are subject to a \$1 reduction in their retirement benefit for each \$3 earned in excess of \$5,000 in the calendar year.
- Members who return for 480 or more hours in a calendar year:
 - Must become an active member of the system;
 - Will stop receiving a retirement benefit from the system; and
 - Will be eligible for a second retirement benefit if they earn 5 or more years of service credit through their second employment
- Employee, employer and stat contributions, if any, apply as follows:
 - Employer contributions and state contributions (if any) must be paid on all working retirees;
 - Employee contributions must be paid on working retirees who return to covered employment for 480 or more hours in a calendar year.

Second Retirement Benefit

Applies to retirement system members who return on or after July 1, 2017 to active service covered by the system from which they retired.

- If the member works more than 480 hours in a calendar year and accumulates less than 5 years of service credit before terminating again, the member:
 - is not awarded service credit for the period of reemployment;
 - is refunded the accumulated contributions associated with the period of employment;
 - starting the first month following termination of service, receives the same retirement benefit previously paid to the member; and
 - does not accrue post-retirement benefit adjustments during the term of reemployment but receives a Guaranteed Annual Benefit Adjustment (GABA) in January immediately following second retirement.
- If the member works more than 480 hours in a calendar year and accumulates at least 5 years of service credit before terminating again, the member:
 - is awarded service credit for the period of reemployment;
 - starting the first month following termination of service, receives:
 - ◆ The same retirement benefit previously paid to the member, and
 - ◆ A second retirement benefit for the period of reemployment calculated based on the laws in effect as of the member's rehire date; and
 - does not accrue post-retirement benefit adjustments during the term of reemployment but receives a GABA:
 - ◆ On the initial retirement benefit starting in January immediately following second retirement, and
 - ◆ On the second retirement benefit starting in January after receiving that benefit for at least 12 months.
- A member who returns to covered service is not eligible for a disability benefit.

HYALITE RURAL FIRE DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
Year Ended June 30, 2025

5. CHANGES OF BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS AND METHODS - FIREFIGHTERS' UNIFIED RETIREMENT SYSTEM (FURS) (Continued)

Refunds

- Terminating members eligible to retire may, in lieu of receiving a monthly retirement benefit, refund their accumulated contributions in a lump sum.
- Terminating members with accumulated contributions between \$200 and \$1,000 who wish to rollover their refund must do so within 90 days of termination of service.
- Trusts, estates, and charitable organizations listed as beneficiaries are entitled to receive only a lump-sum payment.

Lump-sum Payouts

Effective July 1, 2017, lump-sum payouts in all systems are limited to the member's accumulated contributions rate than the present value of the member's benefit.

Changes in Actuarial Assumptions and Methods

Method and assumptions used in calculations of actuarially determined contributions

The following actuarial assumptions and methods were used to determine contribution rates reported for fiscal year ending June 30, 2024, which were based on the results of the June 30, 2023 actuarial valuation:

General Wage Growth*	3.50%
Investment rate of return	7.65%
*Includes inflation rate at	2.75%
Merit salary increases	0% to 6.30%
Asset valuation method	4-year smoothed market
Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, open
Remaining amortization period	30 years
Mortality (Healthy members)	For males and females: RP 2000 combined employee and annuitant mortality table projected to 2020 using scale BB, males set back 1 year
Mortality (Disabled members)	For males and females: RP 2000 combined mortality table, with no projections
Admin Expense as % of Payroll	0.13%

Administrative expenses are recognized by an additional amount added to the normal cost contribution rate for the System. The amount varies from year to year based on the prior year's actual administrative expenses.

The actuarial assumptions and methods utilized in the June 30, 2023 valuation were developed in the five-year experience study for the period ending 2021.



AMATICS
CPA GROUP

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Bozeman, MT 59718

P 406.404.1925
F 406.404.1926

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

**To the Board of Directors
Hyalite Rural Fire District
Bozeman, MT**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and major funds of Hyalite Rural Fire District ("the District"), as of and for the year ended June 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 November 18, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from 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 financial statements. 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 one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.



Hyalite Rural Fire District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

A handwritten signature in black ink that reads "Amicus CPA Group". The signature is written in a cursive, flowing style.

Bozeman, Montana
November 18, 2025

HYALITE RURAL FIRE DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
June 30, 2025

The results of our tests disclosed one instance of noncompliance with certain provisions of laws, regulations, contracts and grant agreements and other matters, and no internal control deficiencies considered to be material weaknesses as of June 30, 2025.

2025-01 COMPLIANCE WITH MCA 7-6-4005, EXPENDITURES LIMITED TO APPROPRIATIONS

Criteria: Montana Code Annotated (MCA) 7-6-4005(1) states that local government officials may not make a disbursement or an expenditures or incur an obligation in excess of the total appropriations for a fund.

Condition: During the review of actual expenditures, it was noted that the general fund incurred expenditures in excess of legally adopted budget appropriations. Specifically, the general fund's expenditures exceeded appropriations by \$70,302 in total.

Cause: The over-expenditure appears to have resulted from capital outlay equipment costs that were in excess of what was originally expected.

Effect: The District is out of compliance with MCA 7-6-4005 and this exposes local government officials to potential personal liability for the excess amounts.

Recommendation: The District should implement controls over budget monitoring and expenditure authorization. In the future, budget amendments could be formally adopted before incurring obligations outside of the original budgeted appropriations.

Response: The over-expenditure from budget was the result of the District trading three old fire engines then purchasing a new engine. The difference from the trades to asking price was over the budgeted amount. Management should have proposed a budget amendment to the Board to account for this and will consider budget amendments in the future as appropriate.

**HYALITE RURAL FIRE DISTRICT
STATUS OF PRIOR YEAR FINDINGS
June 30, 2025**

The results of our tests disclosed no instances of noncompliance with certain provisions of laws, regulations, contracts and grant agreements and other matters, and one internal control deficiency considered to be a material weakness as of June 30, 2024.

2024-01 MATERIAL WEAKNESS OVER FINANCIAL REPORTING

Criteria: Internal controls should be in place to ensure the balances reported in the financial statements are complete and accurate.

Condition: Material audit adjustments were required to adjust long term debt and beginning net position balances.

Cause: The District did not record all entity-wide adjustments in the accounting software.

Effect: The District has a material weakness in internal control over financial reporting. Without the proposed audit adjustments, the District's financial statements would be materially misstated.

Recommendation: The District should implement a procedure to reconcile the prior year's ending net position to the current year's beginning net position and to reconcile year end debt balances to supporting documentation to ensure all accounts and balances are accurately reported.

Status: Resolved.



AMATICS
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45 Discovery Dr.
Bozeman, MT 59718

P 406.404.1925
F 406.404.1926

November 18, 2025

To the Board of Trustees
Hyalite Rural Fire District
4541 S. 3rd Street
Bozeman, MT 59718

We have audited the financial statements of the governmental activities and major funds of Hyalite Rural Fire District (“the District”) for the year ended June 30, 2025. Professional standards require that we communicate to you the following information related to our audit.

Our Responsibilities under U.S. Generally Accepted Auditing Standards and Government Auditing Standards

As stated in our engagement letter dated July 1, 2025, our responsibilities, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

As part of our audit, 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.

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

Significant Audit Matters

Qualitative Aspects of Accounting Practice

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. The significant accounting policies used by Hyalite Rural Fire District are described in Note 1 to the financial statements. The District adopted GASB Statement No. 101, *Compensated Absences*, and GASB Statement No. 102, *Certain Risk Disclosures* during the year ended June 30, 2025. The adoption of these standards did not have a material impact on the District’s financial statements. The application of existing policies was not changed during the year ended June 30, 2025. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

The most sensitive estimates affecting the financial statements were capital assets’ useful lives, potential impairments, and depreciation. These are all estimates made by management. We evaluated the key factors and assumptions used to develop these estimates in determining that the balances are reasonable in relation to the financial statements taken as a whole.

Hyalite Rural Fire District
Report to Those Charged with Governance
Page 2

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were the summary of significant accounting policies in Note 1 and capital assets in Note 3.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 18, 2025.

Management Consultations with Other Independent Accountant

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

Other Audit Findings or Issues

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

Prior Year Recommendations

1. *Finding:* The District utilizes QuickBooks Online (QBO) for all financial reporting, utilizing classes for funds and for entity-wide adjustments. As noted in the schedule of findings and responses, the District's process for reconciling balances allows for errors in rolling net position and fund balance from year to year. For governmental financial reporting and for audit documentation, the District should consider preparing and providing a trial balance by fund in addition to the QBO statement of financial position by class and statement of activities by class.

Status: Resolved.

2. *Finding:* We noted inconsistencies throughout the year in the transactional accounting and reporting of capital asset purchases and debt transactions and adjustments.

- a. The initial accounting for capital asset purchases is inconsistent throughout the year. Some purchases are initially recorded to capital outlay expense, and some are initially recorded to capital asset accounts. The purchases are then recorded through journal entries to the other account (capital outlay or capital asset) in order to maintain full accrual and fund financial statements in the accounting records.

The District should revisit the system for reporting capital assets both in fund financial statements (classes) and entity wide statements (classes) within the same QuickBooks Online file and develop a process to report these types of transactions consistently.

- b. Long-term debt transactions are sometimes recorded through journal entry and sometimes through disbursements. Maintaining both fund level information and entity-wide balances in the same QBO file without reconciling net position allows for errors in the reported balances. Long-term debt balances reported in the accounting software should be reconciled to supporting documentation throughout the year and at year end.

Status: Resolved.

Other Matters

We applied certain limited procedures to management's discussion and analysis, schedule of proportionate share of net pension liability, schedule of contributions and budgetary comparison information, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining and individual nonmajor fund financial statements and budget and actual schedules – nonmajor funds, which accompany the basic financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory section and the statistical section, which accompany the financial statements but are not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the information and use of management and the Board of Trustees of the Hyalite Rural Fire District and the Montana Department of Administration and is not intended to be, and should not be, used by anyone other than these specified parties.

Hyalite Rural Fire District
Report to Those Charged with Governance
Page 4

Sincerely,

A handwritten signature in black ink that reads "Amelie CPA Gray". The signature is written in a cursive, flowing style.

Bozeman, Montana

Attachment

Prepared by	Reviewed by	Reviewed by
BS 11/10/2025	MS 11/10/2025	

Number	Date	Name	Account No	Reference	Debit	Credit	Net Income (Loss)	Amount Chg
Net Income (Loss) Before Adjustments							(939,498.42)	
AJE-1	6/30/2025	Deferred inflows - prop taxes	205000 GF	10-15		23,049.00		
AJE-1	6/30/2025	Taxes:General Property Taxes:Prope	311040 GF	10-15	23,049.00			
To adjust deferred property taxes								
					23,049.00	23,049.00	(962,547.42)	(23,049.00)
					23,049.00	23,049.00	(962,547.42)	(23,049.00)

Hyalite Rural Fire District

Year End: June 30, 2025

Reclassifying journal entries

Date: 7/1/2024 To 6/30/2025

Prepared by	Reviewed by	Reviewed by
BS 11/10/2025	MS 11/10/2025	

Attachment B

RJE

Number	Date	Name	Account No	Reference	Debit	Credit
RJE-1	6/30/2025	Unrestricted Fund Balance	241000 GFAAG	W-2	1,147,709.09	
RJE-1	6/30/2025	General fixed asset acct group	241001 GFAAG	W-2		1,147,709.09
		To adjust net investment in cap assets balance				
RJE-2	6/30/2025	Taxes:General Property Taxes:Real Property Taxes	311010 GF	10-16		68,995.00
RJE-2	6/30/2025	Taxes:General Property Taxes:Personal Property Tax	311020 GF	10-16	68,995.00	
		To reclass tax revenue from personal property taxes to real property taxes				
					1,216,704.09	1,216,704.09
Net Income (Loss)			467,138.58			

Fire District Board of Directors – Good Governance Checklist

1. Roles & Responsibilities

- ☐ Focus on **policy and oversight**, not daily operations
- ☐ Set mission, vision, and **long-term goals**

2. Legal & Ethical Compliance

- ☐ Follow **open meeting laws** and public notice rules
- ☐ Disclose and manage **conflicts of interest**
- ☐ Ensure compliance with **state laws, labor rules, and safety standards**

3. Financial Oversight

- ☐ Review and approve an **annual budget** aligned with community needs
- ☐ Monitor **financial reports** regularly
- ☐ Require an **independent audit** and follow up on findings
- ☐ Maintain **reserves** and plan for capital needs

4. Risk & Safety Management

- ☐ Confirm adequate **insurance coverage**
- ☐ Promote a strong **safety culture** for staff and volunteers
- ☐ Review **emergency preparedness** and continuity plans

5. Board Effectiveness

- ☐ Provide **orientation and ongoing training** for directors
- ☐ Adopt a **board code of conduct**
- ☐ Periodically **evaluate board performance**

6. Community Accountability

- ☐ Communicate openly with the **public and stakeholders**
- ☐ Publish agendas, budgets, and **annual performance reports**
- ☐ Listen and respond to **community needs and feedback**

7. Relationship with Fire Chief

- ☐ Establish clear **expectations and performance measures**
- ☐ Provide resources and support for district operations
- ☐ Conduct a **regular evaluation** of the fire chief

Good governance means acting with integrity, protecting resources, planning for the future, managing risks, supporting leadership, and staying accountable to the community served.

Common examples of fire district fraud

1. Payroll — ghost employees

Description: Fake employees or former employees remain on payroll and paychecks are diverted.

Red flags: Unexpected overtime spikes, employees with no personnel files, stale direct-deposit accounts.

Controls: Periodic payroll-to-personnel reconciliations, surprise audits of personnel files, verification of new hires and terminations.

2. Time-sheet/timecard fraud

Description: Employees or supervisors alter hours (buddy punching, fabricated overtime).

Red flags: Excessive overtime for same staff, patterns of rounding up, identical clock-in/out times.

Controls: Use of secure timekeeping, require supervisor approval with documentation, data analytics on hours.

3. Procurement/bid-rigging/collusion

Description: Vendors coordinate to fix prices or a staff member steers contracts to a favored vendor.

Red flags: Repeated single-vendor awards, bids clustered around same price, late changes to specs.

Controls: Clear competitive procurement rules, rotating bid committees, vendor approvals, vendor conflict disclosures, independent bid reviews.

4. Invoice fraud / fictitious vendors

Description: Fake invoices submitted for nonexistent goods or services, sometimes to shell companies.

Red flags: New vendor with PO box or personal bank account, invoices just below approval thresholds, duplicate invoices.

Controls: Vendor master file controls, independent invoice matching to PO/receipts, bank-account verification for vendors.

5. Expense reimbursement abuse

Description: Employees submit inflated, duplicated, or falsified travel/expense claims.

Red flags: Receipts that look altered, repeated round numbers (e.g., \$500), claims outside policy.

Controls: Expense policy enforcement, receipts required, random expense audits, supervisor review.

6. Asset theft or misuse

Description: Equipment, supplies, or fuel stolen or used for personal purposes.

Red flags: Inventory discrepancies, frequent small purchases, missing log entries.

Controls: Asset tagging, physical inventory counts, fuel/vehicle logs, access controls.

7. Check tampering / forged signatures

Description: Unauthorized alteration of checks or forged signatories to divert funds.

Red flags: Checks made out to employees/vendor names that look similar, unusual endorsement patterns.

Controls: Positive pay with bank, dual signatures or ACH controls, segregation of check-writing and reconciliation.

8. Purchasing card (P-card) abuse

Description: P-cards used for personal purchases or split to bypass limits.

Red flags: Out-of-policy merchant categories, frequent transactions at same non-vendor, split transactions.

Controls: Cardholder agreements, transaction monitoring, reconciliations and receipts required, monthly supervisor review.

9. Conflict of interest / self-dealing

Description: Officials awarding contracts to relatives or businesses they own without disclosure.

Red flags: Contracts awarded to companies linked to board members or staff, lack of disclosures.

Controls: Mandatory conflict disclosures, recusal rules, independent board oversight.

Quick detective techniques (low effort, high value)

- Analytical review: look for outliers, round numbers, duplicates, and patterns over time.
- Surprise internal audits or counts (payroll, inventory, cash).
- Segregation of duties mapping (who initiates, approves, records, reconciles?).
- Anonymous whistleblower channel and documented follow-up.
- Regular external or peer reviews for high-risk areas (procurement, grants, payroll).

What to do if you suspect fraud

1. Preserve evidence (copies of documents, logs).
2. Report through the district's whistleblower/ethics channel or to legal counsel.
3. Limit access to affected systems/accounts.
4. Engage internal audit or an independent forensic accountant.
5. Notify funding sources or insurers where required and follow procurement law.

2. Time and Price for Engagement:
- A. Estimated Total hours: _____
- B. Price for audit personnel \$ _____
- Price for travel \$ _____
- Price for report preparation \$ _____
- Total price for the engagement \$ _____
7. The audit scope with regard to federal assistance received by the Entity for the above fiscal year(s) will be as indicated below:
- ☐ The audit will be a single audit conducted in accordance with the provisions of Uniform Guidance because the Entity expended a total amount of federal awards equal to or in excess of \$1,000,000 during the fiscal year(s), or such other dollar amount (\$ _____) that is effective for the fiscal year(s) being audited.
- OR-
- ☐ The audit will not be a single audit conducted in accordance with the provisions of Uniform Guidance and will not include audit coverage of any federal financial assistance in accordance with requirements of that federal regulation, because the Entity expended a total amount of federal awards of less than \$1,000,000 during the fiscal year(s), or such other dollar amount (\$ _____) that is effective for the fiscal year(s) being audited.

Sections 1, 2, and 7 of Appendix B on pages B1 and B2 are amended to read as follows:

1. Audit Periods and Dates of Engagement
- A. This audit will cover the fiscal year(s) ending _____, _____ (and _____).
- B. Date to commence audit work: _____
- C. Date to submit final audit report to Entity and State: _____
2. Time and Price for Engagement:
- A. Estimated Total hours: _____
- B. Price for audit personnel \$ _____
- Price for travel \$ _____
- Price for report preparation \$ _____
- Total price for the engagement \$ _____
7. The audit scope with regard to federal assistance received by the Entity for the above fiscal year(s) will be as indicated below:
- ☐ The audit will be a single audit conducted in accordance with the provisions of Uniform Guidance because the Entity expended a total amount of federal awards equal to or in excess of \$1,000,000 during the fiscal year(s), or such other dollar amount (\$ _____) that is effective for the fiscal year(s) being audited.
- OR-
- ☐ The audit will not be a single audit conducted in accordance with the provisions of Uniform Guidance and will not include audit coverage of any federal financial assistance in accordance with requirements of that federal regulation, because the Entity expended a total amount of federal awards of less than \$1,000,000 during the fiscal year(s), or such other dollar amount (\$ _____) that is effective for the fiscal year(s) being audited.

Sections 1, 2, and 7 of Appendix C on pages C1 and C2 are amended to read as follows:

1. Audit Periods and Dates of Engagement
 - A. This audit will cover the fiscal year(s) ending _____, _____ (and _____).
 - B. Date to commence audit work: _____
 - C. Date to submit final audit report to Entity and State: _____

2. Time and Price for Engagement:
 - A. Estimated Total hours: _____
 - B. Price for audit personnel \$ _____
 - Price for travel \$ _____
 - Price for report preparation \$ _____
 - Total price for the engagement \$ _____

7. The audit scope with regard to federal assistance received by the Entity for the above fiscal year(s) will be as indicated below:

☐ The audit will be a single audit conducted in accordance with the provisions of Uniform Guidance because the Entity expended a total amount of federal awards equal to or in excess of \$1,000,000 during the fiscal year(s), or such other dollar amount (\$ _____) that is effective for the fiscal year(s) being audited.

-OR-

☐ The audit will not be a single audit conducted in accordance with the provisions of Uniform Guidance and will not include audit coverage of any federal financial assistance in accordance with requirements of that federal regulation, because the Entity expended a total amount of federal awards of less than \$1,000,000 during the fiscal year(s), or such other dollar amount (\$ _____) that is effective for the fiscal year(s) being audited.

Sections 1, 2, and 7 of Appendix D on pages D1 and D2 are amended to read as follows:

1. Audit Periods and Dates of Engagement
 - A. This audit will cover the fiscal year(s) ending _____, _____ (and _____).
 - B. Date to commence audit work: _____
 - C. Date to submit final audit report to Entity and State: _____

2. Time and Price for Engagement:
 - A. Estimated Total hours: _____
 - B. Price for audit personnel \$ _____
 - Price for travel \$ _____
 - Price for report preparation \$ _____
 - Total price for the engagement \$ _____

7. The audit scope with regard to federal assistance received by the Entity for the above fiscal year(s) will be as indicated below:
- ☐ The audit will be a single audit conducted in accordance with the provisions of Uniform Guidance because the Entity expended a total amount of federal awards equal to or in excess of \$1,000,000 during the fiscal year(s), or such other dollar amount (\$ _____) that is effective for the fiscal year(s) being audited.
- OR-
- ☐ The audit will not be a single audit conducted in accordance with the provisions of Uniform Guidance and will not include audit coverage of any federal financial assistance in accordance with requirements of that federal regulation, because the Entity expended a total amount of federal awards of less than \$1,000,000 during the fiscal year(s), or such other dollar amount (\$ _____) that is effective for the fiscal year(s) being audited.

Sections 1, 2, and 7 of Appendix E on pages E1 and E2 are amended to read as follows:

1. Audit Periods and Dates of Engagement
 - A. This audit will cover the fiscal year(s) ending _____, _____ (and _____).
 - B. Date to commence audit work: _____
 - C. Date to submit final audit report to Entity and State: _____
2. Time and Price for Engagement:
 - A. Estimated Total hours: _____
 - B. Price for audit personnel S _____
 - Price for travel S _____
 - Price for report preparation S _____
 - Total price for the engagement S _____
7. The audit scope with regard to federal assistance received by the Entity for the above fiscal year(s) will be as indicated below:

☐ The audit will be a single audit conducted in accordance with the provisions of Uniform Guidance because the Entity expended a total amount of federal awards equal to or in excess of \$1,000,000 during the fiscal year(s), or such other dollar amount (\$ _____) that is effective for the fiscal year(s) being audited.

-OR-

☐ The audit will not be a single audit conducted in accordance with the provisions of Uniform Guidance and will not include audit coverage of any federal financial assistance in accordance with requirements of that federal regulation, because the Entity expended a total amount of federal awards of less than \$1,000,000 during the fiscal year(s), or such other dollar amount (\$ _____) that is effective for the fiscal year(s) being audited.

IN WITNESS WHEREOF:

Certified Public Accountant

Amatics CPA Group

Firm Name

By: **Morgan Scarr**

Digitally signed by Morgan Scarr
Date: 2025.11.10 11:33:47 -07'00'

Authorized Representative

Printed Name:

Morgan Scarr

Date: **11/10/2025**

Governmental Entity

Hyalite Rural Fire District

Entity Name

By: _____

Authorized Representative

Date: _____

**Montana Department of Administration, Local
Government Services Bureau**

By: _____

Approved

Date: _____

**DEPARTMENT OF ADMINISTRATION
STANDARD AUDIT CONTRACT**

This Contract is made this 18th day of November, 20 25, by and among

Amatics CPA Group

**Certified Public Accountant
("Contractor"),**

Hyalite Rural Fire District

**Government Entity
("Entity"),**

and the **Montana Department of Administration, Local Government Services Bureau, ("State")**, acting under the authority of Title 2, Chapter 7, Part 5 of the Montana Code Annotated. **The State's mailing address, phone number, and email address are P.O. Box 200547, Helena, MT 59620-0547; (406) 444-9101; and LGSPortalRegistration@mt.gov.**

1. **Effective Date:** This contract is not effective with respect to any party until it is approved and signed by the State, as required by Section 2-7-506(3), MCA. The Contractor may not begin any audit work until the State gives its approval. If the Contractor begins work before the State's approval of the contract and the State subsequently does not approve the contract, the Contractor is not entitled to receive any compensation for the work performed.

2. **Audit Period and Payment:** This contract covers the following audit period(s):

July 1st, 20 25 to June 30th, 20 30

A. The Entity shall pay the Contractor for the audit work on the basis of time and necessary out-of-pocket expenses, which will not exceed:

\$ <u>21,000</u>	for initial (or sole) audit covering	<u>07</u> / <u>01</u> / <u>2025</u>	to	<u>06</u> / <u>30</u> / <u>2026</u>
\$ <u>23,000</u>	for subsequent audit covering	<u>07</u> / <u>01</u> / <u>2026</u>	to	<u>06</u> / <u>30</u> / <u>2027</u>
\$ <u>25,000</u>	for subsequent audit covering	<u>07</u> / <u>01</u> / <u>2027</u>	to	<u>06</u> / <u>30</u> / <u>2028</u>
\$ <u>27,000</u>	for subsequent audit covering	<u>07</u> / <u>01</u> / <u>2028</u>	to	<u>06</u> / <u>30</u> / <u>2029</u>
\$ <u>29,000</u>	for subsequent audit covering	<u>07</u> / <u>01</u> / <u>2029</u>	to	<u>06</u> / <u>30</u> / <u>2030</u>

B. The entity shall pay the fees listed in Appendices A, B, C, D, and E, as applicable, which are attached hereto and incorporated by reference. Any change to the audit fees requires a contract amendment.

C. The contract payments do not include the cost of additional work that may be required if the Contractor discovers a defalcation or material irregularity. **Any change in the scope of the audit services to be provided under this contract requires an amendment.**

D. The Contractor may submit interim bills to the Entity each month, based upon the estimated percentage of contract completion. The Entity may retain ten percent (10%) of each of these estimates until the Contractor has delivered the final audit report, at which time the Entity shall release the amount retained.

3. **Peer Review:** The Contractor shall provide the Entity with a copy of its most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the contract period.

4. **Audit Scope:** The Contractor shall perform the following:

- A. The Contractor shall conduct the audit in accordance with (i) generally accepted auditing standards adopted by the American Institute of Certified Public Accountants and (ii) the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

The Contractor shall opine on the presentation of the Entity's financial statements in accordance with the Entity's applicable financial reporting framework prescribed at Section 2-7-504, MCA.

If the Contractor's opinion on the Entity's financial statements is other than unmodified, the Contractor shall fully discuss the reasons with the Entity in advance of issuing a report. If, for any reason, the Contractor is unable to complete the audit or is unable to form or has not formed an opinion, the Contractor may decline to express an opinion or decline to issue a report as a result of the engagement.

- B. The Contractor shall perform tests of internal control over financial reporting. Findings resulting from these tests shall be reported in accordance with Government Auditing Standards.
- C. The Contractor shall perform tests of the Entity's compliance with provisions of laws, regulations, contracts, and grant agreements. The Contractor shall use the local government compliance supplement prepared by the State, as required by Section 2-7-505(2), MCA, in conjunction with Government Auditing Standards to determine the compliance testing to be performed during the audit. Findings resulting from these tests shall be reported in accordance with Government Auditing Standards. If the Contractor becomes aware of fraud, waste or abuse, the Contractor shall report related findings in accordance with U. The Contractor shall perform tests, including but not limited to the following, to determine whether:

- (1) the Entity has complied with all appropriate statutes and regulations, as required by Section 2-7-502, MCA;
- (2) the Entity has complied with the provisions of each of its debt covenants and agreements;
- (3) the Entity (county, city or town) has retained money in a local charge for services fund contrary to the requirements of Sections 17-2-301 through 17-2-303, MCA, as required by Section 17-2-302, MCA. The Contractor shall report any findings of noncompliance with the provisions of these statutes, regardless of materiality; and
- (4) the Entity (county, or consolidated city/county government) has complied with state laws relating to receipts and disbursements of agency or custodial funds maintained by the Entity, as required by Section 2-7-505, MCA.

If required by the State, the Contractor shall provide documentation of testing performed to comply with (3) and (4), above.

- D. When applicable, the audit must meet all requirements of the Federal Single Audit Act of 1984, as amended, and Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance"). If these federal regulations are amended, the amended regulations will prevail.
- E. The audit scope with regard to federal financial assistance for each fiscal year covered by this contract must be as specified in Appendices A, B, C, D, and E. Any change to the audit scope with regard to federal financial assistance requires a contract amendment.

F. Except as provided below, for purposes of determining the scope of the audit, the Entity is considered the financial reporting entity as defined in the Entity's applicable financial reporting framework prescribed at Section 2-7-504, MCA. This provision does not preclude the Entity from engaging a different audit firm for the audit of a segment, fund or component unit of the Entity. However, both the Entity and Contractor shall notify the State whenever the Entity elects to engage a different audit firm for the audit of a segment, fund or governmental component unit. Such additional audit must be contracted for on the State's Standard Audit Contract, and the audit firm shall be on the Roster of Independent Auditors authorized to conduct audits of Montana local governments that is maintained by the State.

If this contract is for an audit of a segment, fund, or governmental component unit of the primary government, the Entity is considered to be the segment, fund or component unit.

G. Any school district audit must also include auditing procedures sufficient to provide an opinion as to whether the following supplemental information is fairly stated in relation to the basic financial statements:

(1) the school district's enrollment for the fiscal year or years being audited as reported to the Office of Public Instruction in the Fall and Spring "Student Count for ANB" reports; and

(2) when applicable, the extracurricular funds for pupil functions.

H. If the Entity is a school district or associated cooperative, the Contractor shall contact the State Office of Public Instruction and the county superintendent of schools before or during the audit of the Entity. The Contractor shall determine whether those offices are aware of potential financial or legal compliance problems relating to the Entity that could affect the scope of the audit.

I. The Contractor shall immediately notify the Entity and the State in writing of any material irregularities it discovers. If the Entity is a school district or special education cooperative, the Contractor shall also immediately notify the State Office of Public Instruction in writing. To notify the State, Contractors shall email LGSPortalRegistration@mt.gov to the attention of the Local Government Services Bureau Chief. To notify the State Office of Public Instruction, Contractors shall email OPIAuditReport@mt.gov to the attention of the OPI Auditor.

J. The Contractor shall notify the Entity of all proposed audit adjustments and, if the Entity concurs, shall obtain written acceptance of these proposed adjustments. The State reserves the right to request documentation of these proposed and accepted audit adjustments.

5. **Entity's Responsibilities:** The Entity shall be responsible for:

A. its basic financial statements, including note disclosures.

B. All supplementary information required by its applicable financial reporting framework prescribed at Section 2-7-504, MCA and by provisions of this contract.

C. establishing and maintaining effective internal control over financial reporting, including internal controls related to the prevention and detection of fraud.

D. ensuring that it complies with the laws, regulations, contracts and grant agreements applicable to its activities.

E. making all financial records and related information available to the Contractor.

- F. the schedule of expenditures of federal awards required for audits conducted under Uniform Guidance.
 - G. approving all proposed audit adjustments before posting, if the Entity concurs with the proposed adjustments.
 - H. adjusting the financial statements and accounting records to correct material misstatements and to agree with the audited financial statements; and
 - I. providing the Contractor, at the conclusion of the audit engagement, with a letter that confirms certain representations made during the audit, including an affirmation that the effects of any uncorrected misstatements aggregated by the auditor during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.
6. **Dates for Annual Financial Report or Trial Balance of Accounts:** The Entity shall prepare its annual financial report, or a trial balance of accounts no later than the dates specified in Appendices A, B, C, D, and E. If the Entity is unable to prepare its annual financial report or trial balance by the date specified in the Appendices, the Entity shall notify the Contractor and the State in writing prior to the specified dates.
 7. **Beginning the Audit:** The Contractor shall begin the audit field work based on the schedule established in Appendices A, B, C, D, and E. Under Section 2-7-503(3)(a), MCA, all audits must commence within nine months from the close of the last fiscal year of the audit period.
 8. **Completion of Audit:** The Contractor shall deliver the audit report to the Entity and the State, based on the schedule established in Appendices A, B, C, D, and E. **If the Contractor cannot deliver the audit report to the Entity and the State on the date specified in the Appendices, the Contractor shall notify the Entity and the State in writing of that fact, and the reason(s) for the delay.** Under Section 2-7-503(3)(a), MCA, all audits must be completed and the reports issued within one year from the close of the last fiscal year covered by the audit. If the audit is conducted in accordance with the provisions of Uniform Guidance, the Contractor shall complete the audit and issue the audit report within the deadline required by that federal regulation, **unless a longer period has been agreed to in advance by the federal cognizant or oversight agency for audit.** If the Entity has requested and received an extension of the due date of the Uniform Guidance from a federal agency, the Entity shall submit a copy of the approved extension to the State.
 9. **Due Date Extension:** The State may grant an extension to the Entity for filing the audit report beyond the one- year due date provided for in paragraph 8, above. To do so, the Entity shall make a request to the State in writing and shall show good cause for the delinquency or demonstrate that the failure to meet the deadline provided for in paragraph 8, above, was the result of circumstances beyond the Entity's control. The State will determine good cause or circumstances beyond the Entity's control based on the facts of each case.
 10. **Presentation of Audited Financial Statements:** The final audit report must contain basic financial statements and supplementary information consistent with the applicable financial reporting framework prescribed at Section 2-7-504, MCA. In addition, other supplementary information required by provisions within this contract and by Uniform Guidance must also be included, if applicable.
 - A. The final audit report must also contain any supplementary or other information as agreed upon by the Entity and Contractor.
 - B. If the Entity's accounting records or other circumstances do not permit financial statements to comply with the applicable financial reporting framework prescribed at Section 2-7-504, MCA, the Contractor

shall notify the State of those conditions and describe the financial statements that will be presented. The applicable auditor's reports must be modified in accordance with professional standards to reflect a departure from the applicable financial reporting framework.

- C. If the audit is of a school district with separate elementary and high school district general funds, the general funds must be combined as a single major fund. All other funds must be separately considered for major fund criteria.
- D. If the audit is a biennial audit covering two years, the Contractor shall present complete financial statements as specified above for each year covered by the audit. However, note disclosures for both fiscal years may be in one set of notes, with separate fiscal year disclosures as necessary. The two years must be presented under one audit report cover and opined upon in one Independent Auditor's Report.

11. Auditor's Reports: All audit reports must contain the following auditor's reports, which must comply with applicable professional standards in effect for the fiscal year or years being audited:

- A. a report on the financial statements of the Entity.
- B. a 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.
- C. a reference to a report disclosing any deficiencies in internal control or instances of noncompliance with provisions of contracts or grant agreements or abuse that have a less than material effect on the financial statements but warrant the attention of management or those charged with governance. This report must be referred to in the report required in 11.B. above.
- D. a report on any supplementary or other information presented in the audit report. This report must be given in an "other matters" paragraph(s) of the auditor's report on the financial statements (11.A. above), and shall identify, if applicable:
 - (1) any Required Supplementary Information (RSI), as required by the Governmental Accounting Standards Board.
 - (2) any Supplementary Information (SI) included in the report to comply with provisions of laws, regulations, contracts, or grant agreements. For the following schedules, the Contractor shall report on whether the information is fairly stated, in all material respects, "in relation to" the financial statements as a whole, unless the condition of the financial records does not allow the auditor to render such an opinion:
 - a) schedule of school district "Student Count for ANB" required in paragraph 13.A.
 - b) schedule of school district extracurricular fund financial activities required in paragraph 13.B.
 - c) schedule of expenditures of federal awards required by Uniform Guidance and in paragraph 12.A.; and
 - d) any supplementary information for financial reporting frameworks required by ARM 2.4.401.
 - (3) any Other Information (OI) for financial reporting frameworks required by ARM 2.4.401.

(4) any Other Information (OI) that is included in the audit report, if deemed appropriate in accordance with professional standards.

- E. a report disclosing the action taken by the Entity to correct any deficiencies or implement any recommendations contained in the prior audit report. This report must be in a format that specifically identifies, by title or summary, each deficiency or recommendation contained in the prior audit report and the action taken by the Entity on each such deficiency or recommendation.
- F. the views of Entity officials and their planned corrective actions must also be included (for audit findings included by the Contractor in the reports referenced in 11.B. and 11.C. above), as required by Government Auditing Standards, if they are available at the time the Contractor submits the audit report to the State. If the views and planned corrective actions are not available at that time, the Contractor shall so indicate in the reports.

12. **Single Audits:** All audit reports for single audits completed in accordance with Uniform Guidance must contain the following:

- A. a schedule of expenditures of federal awards, prepared by the Entity, which must contain all elements required by Uniform Guidance.
- B. a report on the schedule of expenditures of federal awards. This report may be combined with other reports as provided by Uniform Guidance and professional standards. This report must comply with applicable professional standards in effect for the fiscal year or years being audited.
- C. a report on compliance for each major program and a report on internal control over compliance in accordance with Uniform Guidance. These reports must refer to the separate schedule of findings and questioned costs described in paragraph 12.D. of the contract and must comply with applicable professional standards in effect for the fiscal year or years being audited.
- D. a schedule of findings and questioned costs which must include the information required by Uniform Guidance.
- E. an Entity-prepared document, separate from the Contractor's findings, that describes the Entity's corrective action plan in accordance with Uniform Guidance for each current-year audit finding, if that plan is available at the time the Contractor submits the audit report to the State. This document should be submitted on Entity letterhead and should include a corrective action plan for each finding, regardless of whether the finding is identified in accordance with Uniform Guidance or Government Auditing Standards.

13. **School Districts:** School district audit reports must include the following as supplementary information/schedules:

- A. a schedule of the school district's enrollment as reported to the Office of Public Instruction for the fiscal year or years being audited. The schedule must contain the enrollment both as reported in the Fall and Spring "Student Count for ANB" reports and as documented by the school district's enrollment records;

and
- B. a detailed schedule of extracurricular fund financial activities.

14. **Local Governments Reporting on Non-GAAP Financial Reporting Framework:** Audit reports of local governments that report on a non-GAAP financial reporting framework as provided in ARM 2.4.401 must include any Supplementary Information and Other Information required in that administrative rule.
15. **Written Report to Entity:** The Contractor shall render a single, written report for the Entity audited, including the reports and schedules referenced in paragraphs 11 through 14 above.
16. **Exit Conference:** Before submitting the final audit report, the Contractor shall hold an exit review conference in which the audit results are discussed with those charged with governance and other appropriate Entity officials and employees. The Contractor shall ensure that all members of the governing body and key members of management are notified of this exit conference. The Contractor further agrees that before the exit conference, it will not discuss the audit findings with anyone other than the Entity or the State. Once the Contractor delivers the final audit report to the Entity, the report is deemed to be a public record.
17. **Report Distribution:** The Contractor and Entity shall file copies of the audit report as specified below:
- A. The Contractor shall provide the Entity with the number of copies of the audit report specified in Appendices A, B, C, D, and E. The cost of those copies is included in the total price for the engagement as set out in paragraph 2.A., above, and in the Appendices.
 - B. The Contractor shall submit one of the copies referred to in 17.A., above, to the attorney for the Entity.
 - C. Upon request by the Entity, the Contractor shall provide additional copies of the audit report at a price per copy agreed upon by the Entity and Contractor.
 - D. The Contractor shall provide the State with a text-searchable, unlocked, and unencrypted electronic copy of the audit report at no charge. The report must be submitted to the State at the same time when the Contractor delivers the final audit report to the Entity. Any report delivered separately to management or those charged with governance identifying findings and recommendations as described in 11.C. above must be submitted electronically at the same time the audit report is submitted. The Contractor shall advise the State, at the time of submitting the electronic report of, the date the exit conference was held with the Entity, the date the final report was delivered to the Entity, the date of the audit report, the actual number of hours the Contractor spent conducting the audit, the total audit fee billed the Entity, and whether the audit was conducted in accordance with the provisions of Uniform Guidance.
 - E. If the Entity is a school district or associated cooperative, the Contractor shall provide at no additional charge copies of the audit report to the Office of Public Instruction, the county superintendent of schools, and the county attorney.
 - F. If the Entity is a city or town fire department relief association disability and pension fund, the Contractor shall provide at no additional charge one copy of the audit report to the city or town clerk.
 - G. If the audit is a single audit conducted in accordance with the provisions of Uniform Guidance, the Entity shall provide copies of the reporting package defined in Uniform Guidance and the data collection form to the federal clearinghouse designated by OMB.
18. **Entity Response:** If not included in the audit report as provided in paragraphs 11.F. and 12.E., within 30 days after receiving the audit report, the Entity shall notify the State in writing as to what action it plans to take to correct any deficiencies or implement any recommendations identified or contained in the audit report as required by Section 2-7-515, MCA, and ARM 2.4.409. This notification must also address any findings and recommendations identified in any report to management or those charged with governance described in 11.C.

above. If the audit is a single audit conducted in accordance with Uniform Guidance, this corrective action plan must also meet the requirements of Uniform Guidance. If the Entity is a school district or special education cooperative, the Entity shall also send a copy of this notification to the Office of Public Instruction to the attention of the OI Auditor via email at OPIAuditReport@mt.gov.

19. **Entity's Attorney:** If requested by the State, the attorney for the Entity shall report to the State on the actions taken or the proceedings instituted or to be instituted relating to violations of law and nonperformance of duty as required by Section 2-7-515(4), MCA. The attorney shall report to the State within 30 days after receiving the request.
20. **Certification of Auditor Independence:** The Contractor certifies that, as required by generally accepted government auditing standards, it and its principals and employees are independent in all matters regarding this engagement. **This contract must not include non-audit services.** The Contractor shall neither arrange for nor accept other work with the Entity that could in any way impair the Contractor's compliance with professional independence standards. If required by the State, the Contractor shall provide documentation that independence has been maintained in both mind and appearance as required by professional auditing standards.
21. **Contractor and Subcontractors:** The Contractor shall not assign any rights, or subcontract or delegate any duties of the contract without the Entity's and State's prior written consent.

The Contractor is the prime contractor and is responsible, in total, for all work of any subcontractors. Any subcontractors performing audit work shall be on the Roster of Independent Auditors authorized to conduct audits of Montana local governments that is maintained by the State. The Contractor is responsible to the Entity and the State for the acts and omissions of all subcontractors or agents and of persons directly or indirectly employed by such subcontractors or agents. There is no contractual relationship between any subcontractor and the State.

22. **State Participation in Conferences:** The State may participate in all entrance and exit conferences between the Entity and Contractor, as well as all major conferences held in conjunction with the audit of the Entity.
23. **Access to Records:** The Contractor shall give the State and, when required by law, the Montana Legislative Audit Division, access to the Contractor's work programs, supporting working papers, time records, and all other documents relating to the audit. Access to these documents must be provided at the State's offices in Helena, Montana. Access to working papers includes the right of the State to obtain copies of working papers, as is reasonable and necessary. The Contractor shall make the work programs and supporting working papers available to the State for use by the State or other public accounting firms as directed by the State in future audits of the Entity. The Contractor shall make the audit programs and supporting working papers available to the cognizant or oversight agency for audit or its designee, federal agencies providing direct or indirect funding, or the U.S. General Accounting Office, if requested. Access to working papers includes the right of federal agencies to obtain copies of working papers, as is reasonable and necessary. The Contractor shall retain the audit report, work programs, and supporting working papers for a minimum of five years from the date of the audit report, unless the State notifies the Contractor to extend the retention period. If professional standards or other applicable laws, rules, or regulations require a longer retention period, the Contractor shall retain the above materials for that specified period.
24. **State Review of Report:** As provided by Section 2-7-522, MCA, the State shall review the Contractor's audit report. If the State determines that reporting requirements have not been met, it will notify the Entity and the Contractor of the significant issues of noncompliance. The Contractor shall correct the identified deficiencies within 60 days of notification.

25. **Independent Contractor:** The Contractor is an independent contractor and neither its principals nor its employees are employees of the State or Entity for any purposes.
26. **Workers' Compensation:** The Contractor certifies that it carries Workers' Compensation for its employees and that it has either elected Workers' Compensation or has an approved Independent Contractor's Exemption covering the Contractor while performing work under this contract. (Montana Code Annotated, Title 39, Chapter 71).
27. **Indemnity:** The Contractor shall defend and indemnify the State and Entity, their elected and appointed officials, agents, and employees from and against all claims, causes of action, damages, liabilities, court costs and attorney fees in favor of the Contractor's employees or third parties for bodily or personal injuries, death, or damage to property arising from the acts or omissions or alleged acts or omissions of the Contractor and/or its agents, employees, representatives, assigns, subcontractors under this contract. This defense and indemnify obligation do not apply to acts or omissions arising from the sole negligence of the State or Entity under this contract. This defense and indemnity obligation survives termination or expiration of this contract.

If the Contractor is or may be obligated to pay any cost, settlement, judgment, fine, penalty, or similar award or sanction as a result of a claim, investigation, or other proceeding instituted by any third party, then to the extent that such obligation is or may be a direct or indirect result of the Entity's intentional or knowing misrepresentation or provision to the Contractor of inaccurate or incomplete information in connection with this engagement, and not any failure on the Contractor's part to comply with professional standards, the Entity shall defend and indemnify the Contractor against such obligations.

28. **Insurance – Commercial General Liability:** The Contractor shall maintain for the duration of the contract, at its cost and expense, occurrence coverage insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work by the Contractor, and/or its agents, employees, representatives, assigns, or subcontractors. The Contractor's insurance coverage shall be primary insurance for the Contractor's negligence with respect to the State and Entity and their elected officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the State and Entity and their officers, officials, employees or volunteers shall be excess of the Contractor's insurance and shall not contribute with it.

Insurance - Professional Liability: The Contractor shall purchase and maintain occurrence coverage to cover such claims as may be caused by any act, omission, negligence of the Contractor or its officers, agents, representatives, assigns or subcontractors.

If occurrence coverage is unavailable or cost-prohibitive, the state will accept 'claims made' coverage provided the following conditions are met: 1) the commencement date of the contract must not fall outside the effective date of insurance coverage and it will be the retroactive date for insurance coverage in future years, and 2) the claims made policy must have a three-year tail for claims that are made (filed) after the cancellation or expiration date of the policy.

The State and Entity may require complete copies of certificates of insurance during the term of this contract.

29. Compliance with Laws:

- A. The Contractor shall, in performance of work under this contract, fully comply with all applicable federal, state, or local laws, rules, regulations, and executive orders including but not limited to, the Montana Human Rights Act, the Equal Pay Act of 1963, the Civil Rights Act of 1964, the Age Discrimination Act of 1975, the Americans with Disabilities Act of 1990, and Section 504 of the Rehabilitation Act of 1973.

The Contractor is the employer for the purpose of providing healthcare benefits and paying any applicable penalties, fees and taxes under the Patient Protection and Affordable Care Act [P.L. 111-148, 124 Stat. 119]. Any subcontracting by the Contractor subjects subcontractors to the same provisions.

B. In accordance with 49-3-207, MCA, and Executive Order No. 04-2016 the Contractor agrees that the hiring of persons to perform this contract will be made on the basis of merit and qualifications and there will be no discrimination based on race, color, sex, pregnancy, childbirth or medical conditions related to pregnancy or childbirth, political or religious affiliation or ideas, culture, creed, social origin or condition, genetic information, sexual orientation, gender identity or expression, national origin, ancestry, age, disability, military service or veteran status, or marital status by the persons performing this contract.

30. **Work Accommodations:** The Entity shall provide the Contractor with reasonable space in which to conduct the audit and shall respond promptly to requests for information as well as for all necessary books and records. Support for clerical, equipment, and reproduction services shall be agreed upon by the Entity and the Contractor as specified in Appendices A, B, C, D, and E.

31. **Termination before Audit Commences:** Before the commencement of the audit, either the Contractor or the Entity, with the State's consent, or the State alone, may terminate this contract for cause if another party has breached a material term or condition of this contract or violated an applicable law or regulation. The non-breaching party shall provide the other party written notice of the breach and allow 20 days to remedy the breach.

The Contractor and the Entity may agree to terminate this contract without cause before the commencement of the audit. If such a termination occurs, the State shall consent to the termination upon written notification by the Contractor and the Entity of their agreement to terminate this contract.

The State, however, will not consent to the cancellation of an audit contract for the sole purpose of allowing the Contractor and Entity to then enter into a new contract that extends the number of fiscal years to be audited by the Contractor. Unless there are extenuating circumstances, the existing audit contract must be completed first. This provision does not prohibit the cancellation of a contract for the purpose of replacing an annual audit with a biennial audit.

32. **Termination after Audit Commences:** After the audit has commenced, but before the audit report has been issued, either the Contractor or the Entity, with the State's consent, or the State alone, may terminate this contract for cause if another party has breached a material term or condition of this contract or violated an applicable law or regulation. The non-breaching party shall provide the other party written notice of the breach and allow 20 days to remedy the breach. If the Contractor is the breaching party and fails to remedy the breach, the Contractor is not entitled to the fee set out in this contract. This is the Entity's and the State's sole remedy. If the Entity is the breaching party, the Entity shall pay the Contractor a pro rata portion of the fee set out in this contract, based on the percentage of work completed at the time of termination. This is the Contractor's sole remedy.

The Contractor and the Entity may agree to terminate this contract without cause after the audit has commenced but before the audit report has been issued. If such a termination occurs, the State shall consent to the termination upon written notification by the Contractor and the Entity of their agreement to terminate this contract.

33. **Contractor Compliance with CPE and Quality Control Review:** The Contractor certifies compliance with the continuing professional education requirements and the external quality control review requirements as

set out in Government Auditing Standards, as established by the Comptroller General of the United States. The State may require the Contractor to provide evidence that it has met the above requirements.

34. **Single Audit Act Certification:** If the audit is required to meet the requirements of the Single Audit Act of 1984, as amended, and Uniform Guidance, the Contractor certifies that neither it nor any of its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from performing audits by any Federal department or agency.
35. **Time is of the Essence:** Time is of the essence regarding all provisions of this contract.
36. **Governing Law and Venue:** This contract is governed by the laws of Montana. The parties agree that any litigation concerning this contract in which the State is named as a party must be brought in the First Judicial District in and for the County of Lewis and Clark, State of Montana. Each party shall pay its own costs and attorney fees, except as otherwise allowed in this contract. The parties also agree that any litigation concerning this contract in which the State is not named as a party must be brought in the State of Montana Judicial District in the County in which the Entity is located. Each party shall pay its own costs and attorney fees, except as otherwise allowed in this contract.
37. **Notice:** All notices under this contract must be in writing and will be deemed given if delivered personally, by mail, certified, return receipt requested, or by e-mail. All notices will (a) if delivered personally, be deemed given upon delivery, (b) if delivered by mail, be deemed given upon receipt, or (c) if delivered by e-mail be deemed given upon receipt.
38. **Invalid Provision:** If any provision of this contract is held to be illegal or unenforceable and the parties' rights or obligations will not be materially and adversely affected, such provision will be (a) severed from the contract, (b) the contract will be interpreted as if such provision was never a part of the contract and (c) the remaining provisions will stay in effect.
39. **Authority:** Each party represents that the person signing this contract has the authority to bind that party.
40. **Entire Agreement and Amendment:** This contract and the attached Appendices contain the entire understanding and agreement of the parties. No modification or amendment of this contract is valid unless it is reduced to writing, signed by the parties, and made a part of this contract.

Contractor, Entity, and State have executed this Standard Audit Contract on the date first above written:

Certified Public Accountant

Amatics CPA Group

Firm Name

By: Morgan Scarr Digitally signed by Morgan Scarr
Date: 2025.11.17 11:08:48 -07'00'
Authorized Representative

Authorized Representative

Printed Name: _____

Morgan Scarr

Date: 11/17/2025**Governmental Entity**

Hyalite Rural Fire District

Entity Name

By: _____
Authorized Representative

Authorized Representative

Printed Name:

Date: _____

**Montana Department of Administration,
Local Government Services Bureau**

By: _____

APPENDIX A

Initial or Sole Audit under this Contract

GOVERNMENTAL ENTITY (ENTITY): Hyalite Rural Fire District

406-586-3770

Telephone:

Address:

451 S 3rd Rd

(Street Address or P.O. Box)

Bozeman

(City)

MT 59715

(Zip Code)

Brian Nickolay and Sheryl Wyman, admin@hyalitefire.org

Contact Person(s) and E-Mail Address(es)

**PUBLIC ACCOUNTANT/ACCOUNTING
FIRM (CONTRACTOR) :**

Amatics CPA Group

406-404-1925

Telephone:

Address:

45 Discovery Drive

(Street Address or P.O. Box)

Bozeman

(City)

MT 59718

(State/Zip Code)

Morgan Scarr, mscarr@amaticscpa.com

Contact Person(s) and E-Mail Address(es)

1. Audit Periods and Dates of Engagement
 - A. This audit will cover the fiscal year(s) ending June 30, 2026 (and _____).
 - B. Date to commence audit work: September 2026
 - C. Date to submit final audit report to Entity and State: 12/31/2026
2. Time and Price for Engagement:
 - A. Estimated Total Hours: 100
 - B. Price for audit personnel \$ 21000
 - Price for travel \$ _____
 - Price for report preparation \$ _____
 - Total price for the engagement \$ 21,000
3. The reporting entity contains the following discretely presented component units:

None
4. Date Annual Financial Report or a trial balance will be available (if Contractor is assisting Entity prepare, please note that here: 10/1/2026
5. Number of copies of audit report Contractor will provide to Entity:

Electronic
6. The Entity will provide clerical, equipment, and photocopying or reproduction services to the Contractor as follows:

7. The audit scope with regard to federal assistance received by the Entity for the above fiscal year(s) will be as indicated below:

☐ The audit will be a single audit conducted in accordance with the provisions of Uniform Guidance because the Entity expended a total amount of federal awards equal to or in excess of \$1,000,000 during the fiscal year(s), or such other dollar amount (\$ _____) that is effective for the fiscal year(s) being audited.

-OR-

☒ The audit will not be a single audit conducted in accordance with the provisions of Uniform Guidance and will not include audit coverage of any federal financial assistance in accordance with requirements of that federal regulation, because the Entity expended a total amount of federal awards of less than \$1,000,000 during the fiscal year(s), or such other dollar amount (\$ _____) that is effective for the fiscal year(s) being audited.

Certified Public Accountant

Amatics CPA Group

Firm Name

By: _____
Authorized Representative

Printed Name:

Morgan Scarr

Date: **11/17/2025**

Governmental Entity

Hyalite Rural Fire District

Entity Name

By: _____
Authorized Representative

Printed Name:

Date: _____

**Montana Department of Administration,
Local Government Services Bureau**

By: _____
Approved

Date: _____

APPENDIX B

Subsequent Audit under this Contract

GOVERNMENTAL ENTITY (ENTITY): Hyalite Rural Fire District

406-586-3770

Telephone:

Address:

451 S 3rd Rd

(Street Address or P.O. Box)

Bozeman

(City)

MT 59715

(Zip Code)

Brian Nickolay and Sheryl Wyman, admin@hyalitefire.org

Contact Person(s) and E-Mail Address(es)

**PUBLIC ACCOUNTANT/ACCOUNTING
FIRM (CONTRACTOR) :**
Amatics CPA Group406-404-1925

Telephone:

Address:

45 Discovery Drive

(Street Address or P.O. Box)

Bozeman

(City)

MT 59718

(State/Zip Code)

Morgan Scarr, mscarr@amaticscpa.com

Contact Person(s) and E-Mail Address(es)

-
1. Audit Periods and Dates of Engagement
 - A. This audit will cover the fiscal year(s) ending
June 30, 2027 (and _____).
 - B. Date to commence audit work: September 2027
 - C. Date to submit final audit report to Entity and State: 12/31/2027
 2. Time and Price for Engagement:
 - A. Estimated Total Hours: 100
 - B. Price for audit personnel \$ 23000
 - Price for travel \$ _____
 - Price for report preparation \$ _____
 - Total price for the engagement \$ 23,000
 3. The reporting entity contains the following discretely presented component units:
None
 4. Date Annual Financial Report or a trial balance will be available (if Contractor is assisting Entity prepare, please note that here: 10/1/2027
 5. Number of copies of audit report Contractor will provide to Entity:
Electronic
 6. The Entity will provide clerical, equipment, and photocopying or reproduction services to the Contractor as follows:

-

7. The audit scope with regard to federal assistance received by the Entity for the above fiscal year(s) will be as indicated below:

☐ The audit will be a single audit conducted in accordance with the provisions of Uniform Guidance because the Entity expended a total amount of federal awards equal to or in excess of \$1,000,000 during the fiscal year(s), or such other dollar amount (\$ _____) that is effective for the fiscal year(s) being audited.

-OR-

☒ The audit will not be a single audit conducted in accordance with the provisions of Uniform Guidance and will not include audit coverage of any federal financial assistance in accordance with requirements of that federal regulation, because the Entity expended a total amount of federal awards of less than \$1,000,000 during the fiscal year(s), or such other dollar amount (\$ _____) that is effective for the fiscal year(s) being audited.

Certified Public Accountant
Amatics CPA Group

Firm Name

By: _____
Authorized Representative

Printed Name:
Morgan Scarr

Date: **11/17/2025**

Governmental Entity
Hyalite Rural Fire District

Entity Name

By: _____
Authorized Representative

Printed Name:

Date: _____

Montana Department of Administration,
Local Government Services Bureau

By: _____
Approved

Date: _____

APPENDIX C

Subsequent Audit under this Contract

GOVERNMENTAL ENTITY (ENTITY): Hyalite Rural Fire District

406-586-3770

Telephone:

Address:

451 S 3rd Rd

(Street Address or P.O. Box)

Bozeman

(City)

MT 59715

(Zip Code)

Brian Nickolay and Sheryl Wyman, admin@hyalitefire.org

Contact Person(s) and E-Mail Address(es)

**PUBLIC ACCOUNTANT/ACCOUNTING
FIRM (CONTRACTOR) :**
Amatics CPA Group406-404-1925

Telephone:

Address:

45 Discovery Drive

(Street Address or P.O. Box)

Bozeman

(City)

MT 59718

(State/Zip Code)

Morgan Scarr, mscarr@amaticscpa.com

Contact Person(s) and E-Mail Address(es)

-
1. Audit Periods and Dates of Engagement
 - A. This audit will cover the fiscal year(s) ending
June 30, 2028 (and _____).
 - B. Date to commence audit work: September 2028
 - C. Date to submit final audit report to Entity and State: 12/31/2028
 2. Time and Price for Engagement:
 - A. Estimated Total Hours: 100
 - B. Price for audit personnel \$ 25,000
 - Price for travel \$ _____
 - Price for report preparation \$ _____
 - Total price for the engagement \$ 25,000
 3. The reporting entity contains the following discretely presented component units:
None
 4. Date Annual Financial Report or a trial balance will be available (if Contractor is assisting Entity prepare, please note that here: 10/1/2028
 5. Number of copies of audit report Contractor will provide to Entity:
Electronic
 6. The Entity will provide clerical, equipment, and photocopying or reproduction services to the Contractor as follows:

-

7. The audit scope with regard to federal assistance received by the Entity for the above fiscal year(s) will be as indicated below:

☐ The audit will be a single audit conducted in accordance with the provisions of Uniform Guidance because the Entity expended a total amount of federal awards equal to or in excess of \$1,000,000 during the fiscal year(s), or such other dollar amount (\$ _____) that is effective for the fiscal year(s) being audited.

-OR-

☒ The audit will not be a single audit conducted in accordance with the provisions of Uniform Guidance and will not include audit coverage of any federal financial assistance in accordance with requirements of that federal regulation, because the Entity expended a total amount of federal awards of less than \$1,000,000 during the fiscal year(s), or such other dollar amount (\$ _____) that is effective for the fiscal year(s) being audited.

Certified Public Accountant
Amatics CPA Group

Firm Name

By: _____
Authorized Representative

Printed Name:
Morgan Scarr

Date: **11/17/2025**

Governmental Entity
Hyalite Rural Fire District

Entity Name

By: _____
Authorized Representative

Printed Name:

Date: _____

Montana Department of Administration,
Local Government Services Bureau

By: _____
Approved

Date: _____

APPENDIX D

Subsequent Audit under this Contract

GOVERNMENTAL ENTITY (ENTITY): Hyalite Rural Fire District

406-586-3770

Telephone:

Address:

451 S 3rd Rd

(Street Address or P.O. Box)

Bozeman

(City)

MT 59715

(Zip Code)

Brian Nickolay and Sheryl Wyman, admin@hyalitefire.org

Contact Person(s) and E-Mail Address(es)

PUBLIC ACCOUNTANT/ACCOUNTING FIRM (CONTRACTOR) :
Amatics CPA Group406-404-1925

Telephone:

Address:

45 Discovery Drive

(Street Address or P.O. Box)

Bozeman

(City)

MT 59718

(State/Zip Code)

Morgan Scarr, mscarr@amaticscpa.com

Contact Person(s) and E-Mail Address(es)

-
1. Audit Periods and Dates of Engagement
 - A. This audit will cover the fiscal year(s) ending June 30, 2029 (and _____).
 - B. Date to commence audit work: September 2029
 - C. Date to submit final audit report to Entity and State: 12/31/2029
 2. Time and Price for Engagement:
 - A. Estimated Total Hours: 100
 - B. Price for audit personnel \$ 27,000
 - Price for travel \$ _____
 - Price for report preparation \$ _____
 - Total price for the engagement \$ 27,000
 3. The reporting entity contains the following discretely presented component units:
 None
 4. Date Annual Financial Report or a trial balance will be available (if Contractor is assisting Entity prepare, please note that here: 10/1/2029
 5. Number of copies of audit report Contractor will provide to Entity:
 Electronic
 6. The Entity will provide clerical, equipment, and photocopying or reproduction services to the Contractor as follows:

-

7. The audit scope with regard to federal assistance received by the Entity for the above fiscal year(s) will be as indicated below:

☐ The audit will be a single audit conducted in accordance with the provisions of Uniform Guidance because the Entity expended a total amount of federal awards equal to or in excess of \$1,000,000 during the fiscal year(s), or such other dollar amount (\$ _____) that is effective for the fiscal year(s) being audited.

-OR-

☒ The audit will not be a single audit conducted in accordance with the provisions of Uniform Guidance and will not include audit coverage of any federal financial assistance in accordance with requirements of that federal regulation, because the Entity expended a total amount of federal awards of less than \$1,000,000 during the fiscal year(s), or such other dollar amount (\$ _____) that is effective for the fiscal year(s) being audited.

Certified Public Accountant
Amatics CPA Group

Firm Name

By: _____
Authorized Representative

Printed Name:
Morgan Scarr

Date: **11/17/2025**

Governmental Entity
Hyalite Rural Fire District

Entity Name

By: _____
Authorized Representative

Printed Name:

Date: _____

Montana Department of Administration,
Local Government Services Bureau

By: _____
Approved

Date: _____

APPENDIX E

Subsequent Audit under this Contract

GOVERNMENTAL ENTITY (ENTITY): Hyalite Rural Fire District

406-586-3770

Telephone:

Address:

451 S 3rd Rd

(Street Address or P.O. Box)

Bozeman

(City)

MT 59715

(Zip Code)

Brian Nickolay and Sheryl Wyman, admin@hyalitefire.org

Contact Person(s) and E-Mail Address(es)

**PUBLIC ACCOUNTANT/ACCOUNTING
FIRM (CONTRACTOR) :**
Amatics CPA Group406-404-1925

Telephone:

Address:

45 Discovery Drive

(Street Address or P.O. Box)

Bozeman

(City)

MT 59718

(State/Zip Code)

Morgan Scarr, mscarr@amaticscpa.com

Contact Person(s) and E-Mail Address(es)

-
1. Audit Periods and Dates of Engagement
 - A. This audit will cover the fiscal year(s) ending
June 30, 2030 (and _____).
 - B. Date to commence audit work: September 2030
 - C. Date to submit final audit report to Entity and State: 12/31/2030
 2. Time and Price for Engagement:
 - A. Estimated Total Hours: 100
 - B. Price for audit personnel \$ 29,000
 - Price for travel \$ _____
 - Price for report preparation \$ _____
 - Total price for the engagement \$ 29,000
 3. The reporting entity contains the following discretely presented component units:
None
 4. Date Annual Financial Report or a trial balance will be available (if Contractor is assisting Entity prepare, please note that here: 10/1/2030
 5. Number of copies of audit report Contractor will provide to Entity:
Electronic
 6. The Entity will provide clerical, equipment, and photocopying or reproduction services to the Contractor as follows:

-

7. The audit scope with regard to federal assistance received by the Entity for the above fiscal year(s) will be as indicated below:

☐ The audit will be a single audit conducted in accordance with the provisions of Uniform Guidance because the Entity expended a total amount of federal awards equal to or in excess of \$1,000,000 during the fiscal year(s), or such other dollar amount (\$ _____) that is effective for the fiscal year(s) being audited.

-OR-

☒ The audit will not be a single audit conducted in accordance with the provisions of Uniform Guidance and will not include audit coverage of any federal financial assistance in accordance with requirements of that federal regulation, because the Entity expended a total amount of federal awards of less than \$1,000,000 during the fiscal year(s), or such other dollar amount (\$ _____) that is effective for the fiscal year(s) being audited.

Certified Public Accountant
Amatics CPA Group

Firm Name

By: _____
Authorized Representative

Printed Name:
Morgan Scarr

Date: **11/17/2025**

Governmental Entity
Hyalite Rural Fire District

Entity Name

By: _____
Authorized Representative

Printed Name:

Date: _____

Montana Department of Administration,
Local Government Services Bureau

By: _____
Approved

Date: _____



PROPERTY – CASUALTY – SURETY – WORKERS' COMPENSATION

November 7, 2025

To: Hyalite Rural Fire District Board of Trustees
Justin Miller, Chair
4341 S 3rd Road
Bozeman, MT 59715

Re: Hyalite Rural Fire District VFIS Package Representation

Dear Chair Miller and Trustees,

On behalf of Rocky Mountain Insurance Services, the VFIS Marketing Coordinator for the State of Montana, I wish to "Thank You" for your time and the opportunity to present ourselves to your entity. We appreciate your time.

As Hyalite RFD heads into its renewal term beginning on January 1, 2026, we would like to let you know what you may expect from VFIS as far as rates are concerned, and what you may expect from RMIS, should you choose to sign the Broker of Record letters we left after the last meeting.

VFIS rates, through 2025 have remained static on the property side of things, and your policy currently contains the Guaranteed Replacement Cost for your buildings, meaning their values will automatically increase by 4%, and your associated Property Premium will increase slightly as well.

As mentioned, we feel that your entity is currently overly insured on Building Contents, and it would be our recommendation to lower your Building Contents to a Blanket Value of \$160,000 spread across all your locations. This would provide for the maximum amount of coverage, with the least impact on your premium. This would be a reduction of Building Contents of \$470,903 from your current policy. This is a savings in premium here, as all fire related equipment and inventory are considered covered under your Portable Equipment policy at each location. This is where the coverage should fall as it is specific for Fire/EMS equipment.

On your Commercial Auto policy, you are currently only carrying \$1000 Med Pay coverage which falls below the national average of \$5000. Is this significant, only in that if you were having a situation where a non-fire member was on a unit and fell and got injured, say during an "Open House" or Santa Christmas Visit, that injured individual would only have access to the \$1000 before it would default to the Liability Policy, which would show on a claim, where the Med Pay is good faith based, and does not potentially have an adverse effect on your rates going forward.

Your Uninsured and Under-Insured Motorist coverage is currently at \$500,000 CSL. You are the only District we have seen with limits that do not mirror that of your underlying Auto Coverage of \$1,000,000 CSL. This too would be a change we would like to see happen, and it would be a minor increase to your premium, approximately \$250 annually.

PO Box 9810 Helena, MT 59604-9810
Office 406.466.2102 Fax 406.513.1031
rmisoffice@rmismt.com



PROPERTY – CASUALTY – SURETY – WORKERS' COMPENSATION

These are a few minor adjustments we feel would benefit your entity from a coverage standpoint, and overall should see a reduction the overall premium, while the associated Commercial Auto premium may see a slight increase to account for the higher level of coverage now afforded to the Hyalite Rural Fire District.

The rates that VFIS files with the State of Montana Commissioner of Insurance office, are the same for each client and are not subject to different rates for different agencies or agents. From an overarching standpoint, there would be no adverse change to your policy by switching agencies to have RMIS manage it going forward.

What changing to RMIS brings to Hyalite Rural Fire District is the knowledge of knowing your policies are now being managed by an agency that specializes in the Fire and EMS Industry in Montana. The supporting documents will indicate our commitment to Fire Service in Montana, today and into the future. I am committed to seeing our agency and our agents succeed now and in the future. We provide a commitment to our clients to be available 24/7 – 365 to help with claims or questions. Fires, accidents, claims and other adverse situations do not limit themselves to happening only between the hours of 8-5, Monday through Friday, and not happening on State or Federal Holidays. No client should have to wait 48 hours to report a claim, especially a significant one with bodily harm or other catastrophic outcome.

We know that our model of operations does not fit the current working standard of today, but that is what sets us apart. As a family owned and operated entity, your entity, Hyalite Rural Fire District, becomes one of us, one of our members who will never face a claim alone, or have unanswered questions while waiting for someone to return your call when they get back in the office on Monday.

We grow as our clients grow. Service, mindfulness, and a direct line to the carrier, VFIS, in York, Pennsylvania, means your entity is the priority, not a corporate bottom line. It is our honor to represent those who answer the page and respond to incidents most normal people flee.

Thank you for your consideration.

Chris Hindoién – Partner
Rocky Mountain Insurance Services, LLC

VFIS in Montana

A comparison of Agencies across the Big Sky and who manages their products and services.

Volunteer Fire Insurance Services, VFIS, is the largest writer of Emergency Services, Fire Services, Combination Services and Career Services across the United States. This holds true here in Montana, with 493 policies currently on books within our state covering 292 Fire, Fire & Emergency Medical Services, Ambulance, and Search and Rescue Districts. VFIS operates through the Independent Insurance Agencies across the United States using a system of Regional Directors or, as in the case of Montana, a Marketing Coordinator to oversee their products in the individual states.

Rocky Mountain Insurance Services is Montana owned and operated out of Choteau, Montana, and is the lead agency for VFIS in Montana, with Chris Hindoien, a partner in that agency, as the Marketing Coordinator for the state. RMIS has been with VFIS since 2016 after taking over from Tom Wood who was the Marketing Coordinator for the previous ten (10) plus years. Chris brings to VFIS 26 years of insurance experience that our clients can lean on when it comes to our products, training, education, consulting, claims, and other information to make your VFIS experience as simple as possible. RIMS has over thirty-four (35) combined years of experience in working with Special Districts in Montana and has clients in all fifty-six (56) counties of Montana.

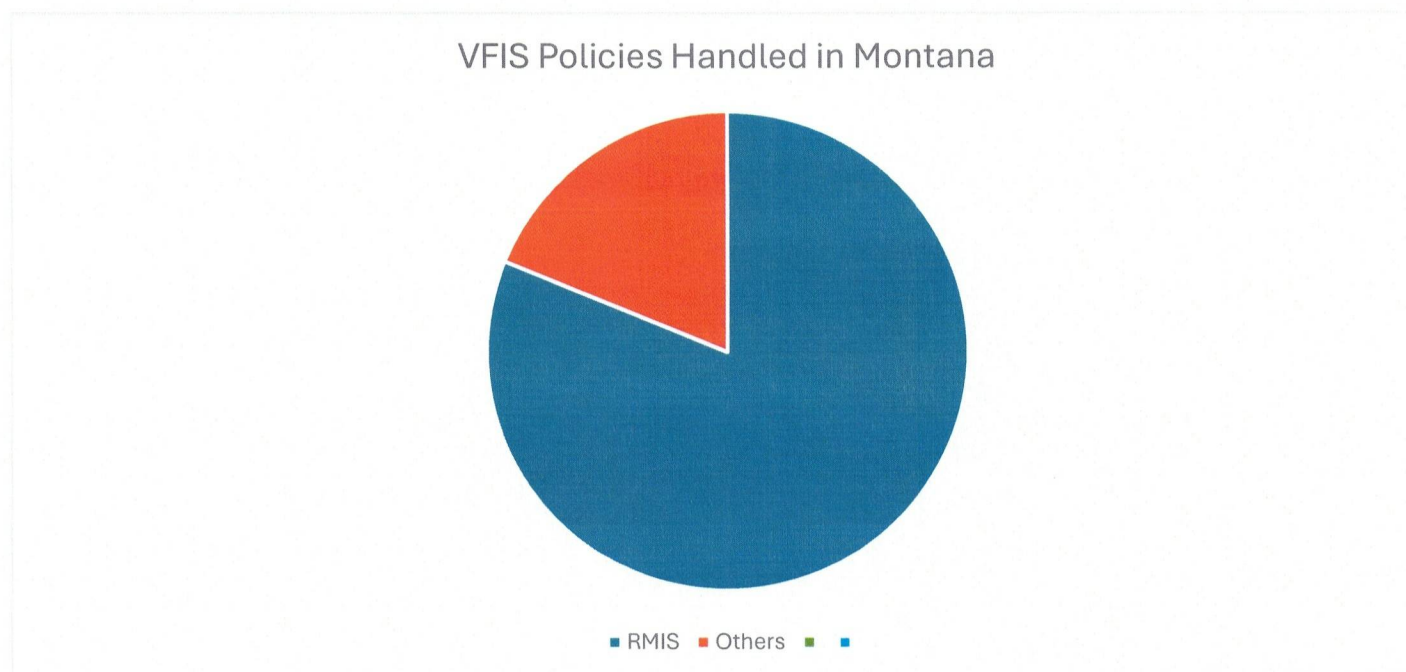
Fire Districts, Departments, Service Areas, are all unique and have specific requirements for insurance here in Montana to meet statutory compliance requirements. The standard insurance policy does not fit the needs of the Fire and EMS world when it comes to being a Special District within the State of Montana. You will find that Chris, Dustin, and Tammy at RMIS have set aside other lines of business to focus on the Special Districts of Montana, and their needs. The commitment to your type of insurance and your type of risk makes them the leader in Montana when it comes to VFIS and their products.

Let us dive into the numbers and let them show you exactly what we mean when we say RMIS is the leader in Montana for all your Special District Insurance needs. This breakdown is for the VFIS policies in Montana and does not include any of the Montana State Fund Workers Compensation policies that are in the books in conjunction with the clients. Secondly, this does not include the additional Special Districts that are not Fire, EMS or other Emergency Services related here in Montana as they too follow the same MCA for insurance needs and requirements.

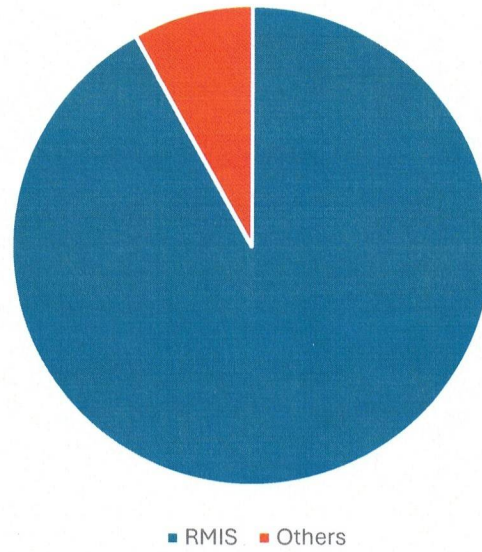
M.C.A. 2-9-108 dictates your insurance needs and requirements at a minimum. We have attached a copy of this as well.

Why choose RMIS?

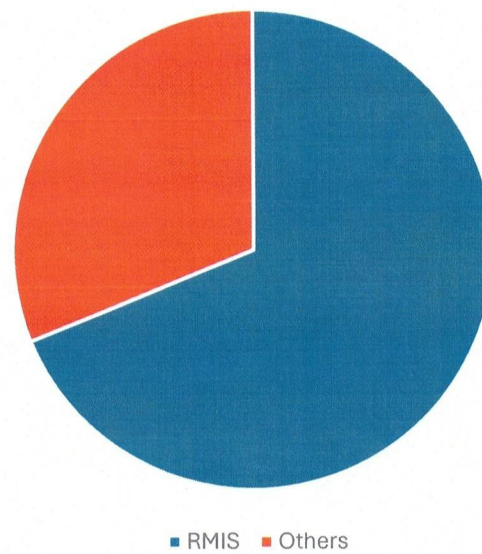
As mentioned above, there are 292 VFIS clients in Montana, and RMIS manages all or part of the insurance products for 244 of them or 82%.



Policy Type - Accident & Sickness (A&S)



Type of Policies - Package



The second largest producer for VFIS in Montana is Marsh McLennan Agency managing seventeen (17) clients with a combined thirty-two (32) policies. There are currently 31 Brokers in Montana with three or less policies.

The rapid rise in mental health issues within the fire and EMS workforce is staggering. The Accident and Sickness plans offered through VFIS can now add a Member Family Assistance Program with 24/7 – 365 telephone access to a counselor or other support member for not only your firefighters, but anyone in their household. This coverage extends to the Trustees and Administrative staff as well. This add-on is only \$11.76 per firefighter annually or .98 cents a month. This is one of the fastest growing benefits of our A&S policy.

RMIS currently has two VFIS Certified EVDT Classroom Trainers to come in and put on a Train the Trainer Seminar that would then give your staff the ability to provide that training within your department. We can bring in any of the VFIS Education, Training and Consulting Staff to collaborate with you, your department personnel, and your Trustees to make sure you are maximizing your VFIS products and services.

We hope that you will reach out to some of the other Fire Districts and clients of both VFIS and RMIS to see why they chose us as their agency to manage their risks. We currently handle most all of Gallatin County Fire Districts and FSAs, as well as Gallatin Conservation District, Spain-Ferris Ditch, Gallatin County Search & Rescue to name a few.

Thank you for your time and consideration, regardless of your decision, RMIS will be here to answer and assist you with any of your VFIS questions or needs.

V/R

A handwritten signature in blue ink, appearing to read "Chris", with a long, sweeping horizontal line extending to the right.

Chris Hindoi, Marketing Coordinator

VFIS of Montana

FRAUD WARNING NOTICE – PLEASE READ CAREFULLY

Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals, for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent act, which is a crime, and may subject such person to criminal and civil penalties.

Alabama	Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or who knowingly presents false information in an application for insurance is guilty of a crime and may be subject to restitution, fines, or confinement in prison, or any combination thereof.
Arkansas	Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.
California	For your protection California law requires the following to appear on this form: Any person who knowingly presents false or fraudulent information to obtain or amend insurance coverage or to make a claim for the payment of a loss is guilty of a crime and may be subject to fines and confinement in state prison.
Colorado	It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance, and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.
District Of Columbia	WARNING: It is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits if false information materially related to a claim was provided by the applicant.
Florida	Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony of the third degree.
Kansas	Any person who knowingly and with intent to defraud, presents, causes to be presented or prepares with knowledge or belief that it will be presented to or by an insurer, purported insurer, broker or any agent thereof, any written, electronic, electronic impulse, facsimile, magnetic, oral, or telephonic communication or statement as part of, or in support of, an application for the issuance of, or the rating of an insurance policy for personal or commercial insurance, or a claim for payment or other benefit pursuant to an insurance policy for commercial or personal insurance that such person knows to contain materially false information concerning any fact material thereto; or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act.
Kentucky	Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any materially false information or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime.
Louisiana	Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.
Maine	It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties may include imprisonment, fines or a denial of insurance benefits.
Maryland	Any person who knowingly or willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly or willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.
Minnesota	A person who files a claim with intent to defraud or helps commit a fraud against an insurer is guilty of a crime.
New Jersey	Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.
New Mexico	Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to civil fines and criminal penalties.
New York	Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.
Ohio	Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.
Oklahoma	WARNING: Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.
Oregon	Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals, for the purpose of misleading, information concerning any fact material thereto, may be guilty of a fraudulent act, which may be a crime, and may subject such person to criminal and civil penalties.
Pennsylvania	Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.
Rhode Island	Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.
Tennessee	It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.
Vermont	Any person who knowingly presents a false statement in an application for insurance may be guilty of a criminal offense and subject to penalties under state law.
Virginia	It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines, and denial of insurance benefits.
Washington	It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines, and denial of insurance benefits.
West Virginia	Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

Your signature below acknowledges that you have read the Fraud Warning Notice that applies to your state of domicile.

The undersigned is an authorized representative of the applicant and certifies the information provided to obtain this coverage is accurate to the best of their knowledge; this includes any applications, locations schedules, valuation statements, loss history information and engineering reports.

X Applicant's signature: _____ Title: _____ Date: _____

Agent's signature: _____ Date: _____

Date: _____

Montana State Fund
Insurance Operations
P.O. Box 4759
Helena MT 59604-4759

Please be advised that I wish to designate Chris Hindoien of Rocky Mountain Insurance Services
PO Box 9810, Helena, MT 59604-9810 to be my Producer of Record for:

_____	<u>Hyalite Rural Fire District / Hyalite Fire Department</u>
(Policy Number)	(Policyholder Name)

I authorize Montana State Fund to provide information and process requests for changes concerning my policy to the above designated producer of record.

By signing this letter, I am terminating the Producer of Record relationship with my current producer/agent, (if any), as it applies to workers' compensation insurance and establishing a Producer of Record relationship with the producer/agent who is presenting this letter to you.

(Signature of Owner, Partner, or Corporate Officer)

(Printed Name)

(Title)

SF-MIS LF120

Purpose: To provide the Board of Trustees with the Hyalite Rural Fire District the information needed to determine the future of accounting services for the Hyalite Rural Fire District.

Background: For the past several years the Hyalite Rural Fire District has contracted with Pinion LLC for accounting services. Hyalite Fire was notified in October 2025 by Pinion LLC that the firm will no longer provide payroll services to the Fire District after Jan 1st, 2026. For this reason, Pinion LLC will no longer fulfill the needs of the Hyalite Rural Fire District for accounting services. This also breaks the agreed upon project details listed in the Pinion LLC 2025-2026 agreement listed below.

Hyalite Rural Fire District Client Project Detail

- Perform Payroll Services for the period of 03-01-2025 to 02-28-2026;
- Manage vendor invoice data entry and integration into QuickBooks Online; Process invoice payment on a semi-monthly basis and submit monthly list of ACH transactions to the County;
- Perform monthly reconciliation of County statements and month-end closing adjustments;
- Maintain property and equipment depreciation schedule;
- Prepare monthly reports for the Board and Treasurer; monthly dashboard for the Board; and Report to the Board, as requested;
- Work with the District's independent auditor to prepare requested schedules and answer audit-related questions. Preparation of Information Returns 1099/2290 for the period ending 12-31-2025.

In addition, the Hyalite Rural Fire District has seen a continued annual increase in fees from Pinion LLC each year. This has put increasing financial burden on the Hyalite Fire District which is compounded by the auditing requirements from the State of Montana. Pinion's monthly fee currently is \$2,750 per month or \$33,000.00 annually.

Below is the termination clause included in the Pinion LLC agreement.

Termination: Unless we terminate this Agreement sooner, in accordance with these terms, final payment and the Agreement's expiration date will be considered fulfillment of your expectations and the end of this Agreement. Either party may terminate this Agreement at any time, for any reason, with ten (10) days written notice to the other party, and any unpaid services outstanding at the date of termination are to be paid in full within ten (10) days of termination.

Request for Accounting Services Bids:

At the request of the Board of Trustees, the Hyalite Fire District Fire Chief sent out a request for comparison to all fire districts in Gallatin County for accounting services. We received minimal responses from districts.

- The Central Valley Fire District employs an internal CPA at the cost of approximately \$102,000 annually.
- The Gallatin Gateway Fire District employs a part-time bookkeeper for 16 hours per week at a cost of \$2,400.00 per month or \$28,800 annually. This person is not a CPA nor do they do payroll or audit preparation work.

Hyalite Fire staff met with Jeni Lorash, CPA based out of Columbus, MT. Jeni currently provides accounting services for the Frenchtown Fire District (Missoula County) and the Columbus Fire District (Stillwater County). Both fire districts compare to Hyalite Fire in being combination fire departments. Jeni provided a bid of \$1,250.00 per month or \$15,000 annually to provide accounting services to the Hyalite Rural Fire District. These services include,

- Monthly payroll calculations including respective 941, state withholding, FURS and PERS submissions.
- Quarterly payroll reports of Form 941 and UI5 will be prepared as well as all necessary year-end payroll reports.
- Entry of expenses to be paid, income received and reconciliation to county provided reports.
- Requested/required monthly reports for the board.
- Audit preparation work required.

It is the staff's recommendation that the Board of Trustees consider entering into an agreement with Jeni Lorash, CPA to provide accounting services to the Hyalite Rural Fire District.



The Hyalite Fire District announces plans for the replacement of the Rae Fire Station on Gooch Hill Road.

“This is a needed step in maintaining public safety, emergency response, and insurance savings for our residents.” said Board Chair Justin Miller. Plans for the fire station have been in the works for several years. A potential vote for the funding of the new fire station may come in 2028. The current bond funding the Sourdough Fire Station on S. 3rd Road will sunset. The taxpayers in the Hyalite Fire District will have the choice to continue funding the fire district at that level to maintain the same service level.

The Fire District currently uses volunteer firefighters supported by career staff to respond to emergencies in the District. The new fire station would serve as a residential facility for volunteer firefighters who live and respond from the Rae Fire Station. Having resident volunteers on-site 24/7 means faster response times, save taxpayers money, and better serve the people who count on us in their most critical moments.



Depending on who insures your building, taxpayers in the District see substantial savings on premiums, usually enough to offset the tax paid for service. The savings is contingent on multiple things including proximity to a fire station and the response time of the Fire District.

The new fire station would replace the current Rae Fire Station located at 5400 Gooch Hill Road. The current fire station, built in the 1970s, was never designed for the modern fire service. Due to population growth and the increased traffic it is challenging to meet the District's need with the current station.

Key features of the new Rae Fire Station include:

- **Living quarters** for up to six volunteer firefighters. Utilizing volunteer resident firefighters would save taxpayers an approximate 2 million dollars a year in comparison to career paid firefighters.
- **Training and meeting spaces** to support ongoing firefighter education. The meeting space would be available to our public for HOA, community group or other gatherings.
- **Energy-efficient design** to reduce environmental impact. This effort will offer significant health and safety protection for our firefighters. Improving cancer prevention by offering decontamination designated areas.
- **Enhanced equipment storage** and gear maintenance facilities. The current fire station offers no protection for firefighting gear.

The Volunteer Resident Program, which allows qualified volunteers to live at the station in exchange for emergency response and shift coverage, has proven to be a valuable model for the Hyalite Fire District. The Sourdough and Cottonwood Fire Stations in the Hyalite Fire District currently utilize live-in programs. This saves the taxpayers money by not paying for career fighters. This new facility would ensure that our volunteer force has the support, infrastructure, and resources needed to serve effectively.

Funding for the project would require a public vote to support the measure which is estimated to cost 15 million dollars. We value public input and the Fire District is interested in continuing to engage with the public throughout the planning process. We encourage our public to attend our Board of Trustees meetings every third Tuesday of the month at 7pm at the Sourdough Fire Station located at 4541 S. 3rd Road.

For more information about the project or how to become a volunteer resident firefighter, please visit www.hyalitefire.org.





Hyalite Rural Fire District

Fire Chief's Report

November 2025

Prepared by: Fire Chief, Brian Nickolay

1. The Hyalite Fire District responded to a total of 62 incidents in October 2025. Our year total for incidents to date is 576.

- Total October 2024 - 60
- Total October 2023 - 50
- Total October 2022 - 63
- Total October 2021 - 56
- Total October 2020 - 51

2. Our current roster is at 50 members (effective 11/1/2025).

- 1 Career Fire Chief
- 1 Career Assistant Fire Chief
- 2 Division Chiefs
- 2 Career Captains
- 2 Volunteer Captains
- 1 Volunteer Reserve Captains
- 6 Volunteer Lieutenants
- 12 Volunteer Firefighters
- 12 Volunteers Apprentice Firefighters
- 1 Volunteer Reserve Firefighters
- 6 Volunteer Recruit Firefighters
- 4 Volunteer EMTs

3. We are continuing to work on our overnight command coverage shortages. We are at 2 of our needed 7 volunteer captains. We have 4 of our new captains working on shadowing command shifts currently. Myself, Assistant Chief Dahlhauser, Division Chief Malone and Division Chief Prato are continuing to work extra to provide coverage at night where we lack availability.

4. We currently have 7 resident firefighters living at the Sourdough Fire Station.

- Current Sourdough Residents -
 - Nick Blommel, Kade O'Brian, Evan Jones, Ruby Weinburg, Zach Fredach, Paige Maunu, and Zane Nordwick.
 - Sourdough resident firefighters continue to fill weekend shifts Friday 7pm – Monday 7am.

5. We currently have 4 resident firefighters living at the Cottonwood Fire Station.
 - Current Cottonwood Residents –
 - Zakkar Tusken, Jack Vincent, Colton Rue-Zindell and Allie Kuntz
 - Cottonwood resident firefighters continue to fill weekday night shifts Monday – Thursday 7pm – 7am.
6. We currently have 4 residents at the Rae house.
 - Current Rae Residents -
 - Kate Brownell, Tyler Palmer, Ted Yewer and Sophie Smith.
7. Non-resident volunteer firefighters continue to cover 6 hour shifts at the Sourdough Fire Station on Monday - Friday 7am – 7pm. With our current level of staffing we are able to cover 4 of our 10 day shifts with at least 2 volunteers.
8. We continue our regular multi company fire and EMS training every Wednesday night and command training twice a month. Our regular training through the month of October focused on fighting attic fires.
9. We are continuing our lieutenant training for 2025. We have 8 of our current firefighters going through the program. Assistant Chief Dahlhauser and Division Chief Malone are providing the training. The training program will run through November and December.
10. We provided a structural engine and crew for the Anderson School Haunted House on October 31st and November 1st.
11. The fire district continues to be involved with the EMS Steering Group in Gallatin County. I am still one of the steering committee members.
12. I am now sitting on the operational committee of the Northern Rockies Coordination Group. The NRCG OPS committee is responsible for setting operational procedures for fighting wildland fires in Montana, Idaho, North Dakota and Yellowstone National Park. This is a coordinated effort made up of local government, state, and federal agencies.
13. I am still on the Board of Directors with Montana State Fire Chiefs Association as a combination section director.
14. I am still on the Montana State Fire Chiefs Wildland Fire Committee.
15. I continue to sit on the board of the Gallatin County Fire Council as Vice President. I also continue to chair the Gallatin County Fire Council communications committee.
16. Assistant Chief Dahlhauser continues to chair the training and SOP committee with the Gallatin County Fire Council.

17. I am still a Gallatin County Deputy Fire Warden.

18. We had no firefighter injuries in the month of October.

19. Command 6-3 remains out of service at Billion Ram waiting on a torque converter for the transmission.

Consent Agenda End

Regular Agenda Item 5

Fire Chief's Report



Hyalite Rural Fire District

Fire Chief's Report

December 2025

Prepared by: Fire Chief, Brian Nickolay

1. The Hyalite Fire District responded to a total of 55 incidents in November 2025. Our year total for incidents to date is 631.
 - Total November 2024 - 72
 - Total November 2023 - 56
 - Total November 2022 - 60
 - Total November 2021 - 42
 - Total November 2020 - 54
2. Our current roster is at 47 members (effective 12/1/2025).
 - 1 Career Fire Chief
 - 1 Career Assistant Fire Chief
 - 2 Division Chiefs
 - 2 Career Captains
 - 1 Volunteer Captains
 - 1 Volunteer Reserve Captains
 - 5 Volunteer Lieutenants
 - 15 Volunteer Firefighters
 - 7 Volunteers Apprentice Firefighters
 - 1 Volunteer Reserve Firefighters
 - 6 Volunteer Recruit Firefighters
 - 4 Volunteer EMTs
3. We are continuing to work on our overnight command coverage shortages. We are at 1 of our needed 7 volunteer captains. We have 3 of our new captains working on shadowing command shifts currently. We unfortunately will have lost 3 additional volunteer captains by the end of January. Myself, Assistant Chief Dahlhauser, Division Chief Malone and Division Chief Prato are continuing to work extra to provide coverage at night where we lack availability.
4. We currently have 8 resident firefighters living at the Sourdough Fire Station.
 - Current Sourdough Residents -
 - Nick Blommel, Kade O'Brian, Evan Jones, Ruby Weinburg, Zach Fredach, Paige Maunu, Zane Nordwick, and Garrett O'Toole.

- Sourdough resident firefighters continue to fill weekend shifts Friday 7pm – Monday 7am.
5. We currently have 4 resident firefighters living at the Cottonwood Fire Station.
 - Current Cottonwood Residents –
 - Zakkar Tusken, Jack Vincent, Colton Rue-Zindell and Allie Kuntz
 - Cottonwood resident firefighters continue to fill weekday night shifts Monday – Thursday 7pm – 7am.
 6. We currently have 3 residents at the Rae house.
 - Current Rae Residents -
 - Kate Brownell, Tyler Palmer, and Sophie Smith.
 - Ted Yewer left the Rae House and department for a paid firefighter/paramedic position in Ketchum, Idaho.
 7. Non-resident volunteer firefighters continue to cover 6 hour shifts at the Sourdough Fire Station on Monday - Friday 7am – 7pm. With our current level of staffing we are able to cover 4 of our 10 day shifts with at least 2 volunteers.
 8. We continue our regular multi company fire and EMS training every Wednesday night and command training twice a month. Our regular training through the month of November focused on fighting structure and vehicle fires.
 9. We have completed our lieutenant training for fall of 2025. All 8 firefighters finished the program. Those 8 will now move into a probationary period while they finish up program requirements. Assistant Chief Dahlhauser and Division Chief Malone are providing the training. The training program will run through November and December.
 10. Reid Templeton has informed us he will be leaving our department as our Recruitment and Retention Captain effective January 31st, 2026. Reid and his wife Olivia will be relocating to Indiana for new opportunities. I will begin a search in January for Reid's replacement.
 11. Our Shift Captain job closes on December 15th. We will be moving forward with the hiring process in hopes to have a candidate onboarded in January.
 12. We assisted the Amsterdam Fire District with a residential structure fire on November 1st. We provided 1 structure fire engine, 1 water tender, and 1 command vehicle.
 13. The fire district continues to be involved with the EMS Steering Group in Gallatin County. I am still one of the steering committee members.
 14. I am still on the Board of Directors with Montana State Fire Chiefs Association as a combination section director.

15. I am still on the Montana State Fire Chiefs Wildland Fire Committee.
16. I am still on the operational committee for the Northern Rockies Coordination Group.
17. I continue to sit on the board of the Gallatin County Fire Council as Vice President. I also continue to chair the Gallatin County Fire Council communications committee.
18. Assistant Chief Dahlhauser continues to chair the training and SOP committees with the Gallatin County Fire Council.
19. I am still a Gallatin County Deputy Fire Warden.
20. We had no firefighter injuries in the month of October.
21. Water Tender 6-1 was out of service from 11/6 - 11/28 for a broken valve replacement. Division Chief Prato was able to perform the repair. The valve placement has been an issue for that truck for several years. Staff is working on a solution.
22. Command 6-3 remains out of service at Billion Ram waiting on a torque converter for the transmission.
23. Division Chief Prato has been working on electrical issues with Engine 6-3 for several months. The truck is still under warranty and Hughes Fire Equipment has been working on the issue.
24. Division Chief Prato is working on the build out process for Command 6-7. We expect the truck to be ready at the end of January.