FRF Sample Footnote for Employers with a 9/30/2026 FYE using a 6/30/2026 Measurement Date

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Pensions

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

NOTE X - PENSION PLAN

Plan Description

The {Employer} contributes to the FRF which is a cost-sharing multiple-employer defined benefit pension plan administered by Public Employee Retirement System of Idaho (PERSI or System) that covers a closed group of firefighters who were hired before October 1, 1980, and who received benefits in addition to those provided under the PERSI Base Plan. The cost to administer the plan is financed through the contributions and investment earnings of the FRF. Additional FRF funding is obtained from receipts from a state fire insurance premium tax. PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at www.persi.idaho.gov.

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

Pension Benefits

The FRF provides retirement, disability, death and survivor benefits of eligible members or beneficiaries. Benefits are based on members' years of service as well as the final average salary. A firefighter must have 5 years of service to be eligible for a lifetime retirement allowance at age 60. Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. The annual service retirement allowance is based on Idaho Code Title 72 Chapter 14.

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The benefit payments for the FRF are calculated using a benefit formula adopted by the Idaho Legislature. The FRF cost of living increase is based on the increase in the statewide average firefighter's wage.

Member and Employer Contributions

Member and employer contributions paid to the FRF are set by statute and are established as a percent of covered compensation. Contribution rates are determined by the PERSI Board within limitations, as defined by state law. The Board may make periodic changes to employer and employee contribution rates (expressed as percentages of annual covered payroll) that are adequate to accumulate sufficient assets to pay benefits when due.

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

At {Year End}, the {Employer} reported a liability for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2026, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. The {Employer's} proportion of the net pension asset was based on the {Employer's} share of contributions in the FRF pension plan relative to the total contributions of all participating FRF employers. At June 30, 2026, the {Employer's} proportion was {X.XXXXXXX} percent.

For the year ended {Date}, the {Employer} recognized pension expense (revenue) of {$X,XXX}. At {Date}, the {Employer} reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$X,XXX	SX,XXX
Changes in assumptions or other inputs	$X,XXX	$X,XXX
Net difference between projected and actual earnings on pension plan investments	$X,XXX	$X,XXX
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	$X,XXX	$X,XXX
{Employer) contributions subsequent to the measurement date	$X,XXX	$X,XXX
Total	$X,XXX	$X,XXX

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$X,XXX reported as deferred outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset in the year ending {Employer year-end}.

The average of the expected remaining service lives of all employees that are provided with pensions through the System (active and inactive employees) determined at July 1, 2025 the beginning of the measurement period ended June 30, 2026 is 1.0 year and 1.0 year for the measurement period June 30, 2025.

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

Year ended {Date}:	
2027	$ X,XXX
2028	$ X,XXX
2029	$ X,XXX
2030	$ X,XXX

Actuarial Assumptions

Valuations are based on actuarial assumptions, the benefit formulas, and employee groups. Level percentages of payroll normal costs are determined using the Entry Age Normal Cost Method. Under the Entry Age Normal Cost Method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated as a level percentage of each year's earnings of the individual between entry age and assumed exit age. Unfunded actuarial accrued liability for FRF is the difference between the actuarial present value of the FRF benefits not provided by the Base Plan and the FRF assets. Currently FRF assets exceed this actuarial present value; therefore there is not an unfunded liability to amortize at this time. The maximum amortization period for the FRF permitted under Section 59-1394, Idaho Code, is 50 years.

The total pension asset in the July 1, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary increases	3.15%*
Investment rate of return	6.55%, net of investment expenses
Cost-of-living adjustments	**

* 3.15 percent COLA is assumed for the gross benefit paid to members of the Fund. A 1.00 percent COLA is assumed for PERSI benefit offsets used to determine the benefits paid by the Fund.
**There is an additional component of assumed salary grown (on top of the 3.15%) that varies for each individual member based on years of service.

Several different sets of mortality rates are used in the valuation for contributing members, members retired for service and beneficiaries. These rates were adopted for the valuation dated July 1, 2026.

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Contributing Members, Service Retirement Members, and Beneficiaries

Fire & Police - Males	Pub-2010 Safety Tables, increased 21%.
Fire & Police - Females	Pub-2010 Safety Tables, increased 26%.
	7% of Fire and Police active member deaths are assumed to be duty related. This assumption was adopted July 1, 2026.
Disabled Members - Males	Pub-2010 Disabled Tables, increased 38%.
Disabled Members - Females	Pub-2010 Disabled Tables, increased 36%.

An experience study was performed for the period July 1, 2011 through June 30, 2015 which reviewed all economic and demographic assumptions other than mortality. Mortality and all economic assumptions were studied in 2014 for the period from July 1, 2009 through June 30, 2013. The Total Pension Asset as of June 30, 2026 is based on the results of an actuarial valuation date of July 1, 2026.

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

Even though history provides a valuable perspective for setting the investment return assumption, the System relies primarily on an approach which builds upon the latest capital market assumptions. Specifically, the System uses consultants, investment managers and trustees to develop capital market assumptions in analyzing the System's asset allocation. The assumptions and the System's formal policy for asset allocation are shown below. The formal asset allocation policy is somewhat more conservative than the current allocation of System's assets.
The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are as of 2024.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	0.00%	0.00%
Large Cap	22.00%	4.75%
Small/Mid Cap	10.00%	4.95%
International Equity	11.00%	4.75%
Emerging Markets Equity	11.00%	4.95%
Domestic Fixed	20.00%	2.25%
TIPS	10.00%	2.00%
Real Estate	8.00%	3.75%
Private Equity	8.00%	6.00%

Discount Rate

The discount rate used to measure the total pension liability was 6.55%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate. Based on these assumptions, the pension plans' net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the

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long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return was determined net of pension plan investment expense but without reduction for pension plan administrative expense.

Sensitivity of the net pension liability (asset) to changes in the discount rate – The following presents the net pension liability (asset) of PERSI, FRF and JRF employers calculated using the discount rate of 6.55% as well as what the employers' liability (asset) would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease (5.55%)	**Current Discount Rate (6.55%)**	**1% Increase (7.55%)**
Employer's proportionate share of the net pension liability (asset)	$xxx,xxx	$xxx,xxx	$xxx,xxx

Pension plan fiduciary net position

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

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

Payables to the pension plan

At {year end}, the {Employer} reported payables to the defined benefit pension plan of $X,XXX for legally required employer contributions and $X,XXX for legally required employee contributions which had been withheld from employee wages but not yet remitted to PERSI.

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Required Supplementary Information

Schedule of Employer's Share of Net Pension Asset
FRF
Last 10 – Fiscal Years *

	2026	2025
Employer's portion of net the pension liability	X.XXXXXXX%	X.XXXXXXX%
Employer's proportionate share of the net pension liability	$X,XXX	$X,XXX
Employer's covered-employee payroll	$X,XXX	$X,XXX
Employer's proportional share of the net pension liability as a percentage of its covered-employee payroll	XX.XX%	XX.XX%
Plan fiduciary net position as a percentage of the total pension liability	XX.XX%	XX.XX%

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

Data is reported is measured as of June 30, 2024

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Schedule of Employer Contributions
FRF
Last 10 – Fiscal Years *

	2026	2025
Statutorily required contribution	$X,XXX	$X,XXX
Contributions in relation to the statutorily required contribution	($X,XXX)	($X,XXX)
Contribution (deficiency) excess	$X,XXX	$X,XXX
Employer's covered-employee payroll	$X,XXX	$X,XXX
Contributions as a percentage of covered-employee payroll	X.XX%	X.XX%

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

Data is reported is measured as of {Employer's most recent fiscal year-end}.

Notes to the Required Supplementary Information
For the Year Ended {Date}

Changes of benefit terms: {Describe changes, if any. Otherwise delete}

Changes in composition of the population covered by the benefit terms: {Describe changes, if any. Otherwise delete}

Changes of assumptions: {Describe changes, if any. Otherwise delete}

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