CITY OF ABERDEEN, IDAHO

AUDITED FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2024

DEATON & COMPANY

Certified Public Accountants

CITY OF ABERDEEN, IDAHO

ANNUAL FINANCIAL REPORT
SEPTEMBER 30, 2024

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INDEPENDENT AUDITOR'S REPORT

To the City Council
City of Aberdeen, Idaho

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Aberdeen, Idaho as of and for the year ended September 30, 2024, and related notes to the financial statements, which collectively comprise the City'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, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Aberdeen as of September 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 City of Aberdeen, Idaho 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 City of Aberdeen'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 City of Aberdeen'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 City of Aberdeen'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 budgetary comparison information and other required supplementary information 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.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City of Aberdeen's basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated June 25, 2025, on our consideration of City of Aberdeen'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 City of Aberdeen'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 City of Aberdeen's internal control over financial reporting and compliance.

Deaton & Company

Pocatello, Idaho
June 25, 2025

FINANCIAL STATEMENTS

CITY OF ABERDEEN, IDAHO
STATEMENTS OF NET POSITION
SEPTEMBER 30, 2024

	Governmental Activities	Business-type Activities	2024 Total
ASSETS			
Current Assets			
Cash and cash equivalents	$ 1,254,833	$ 784,172	$ 2,039,005
Property taxes receivable	15,136	-	15,136
Accounts receivable	-	94,789	94,789
Grant receivable	23,536	66,728	90,264
Due from/(to) other funds	(33,438)	33,438	-
Intergovernmental receivable	89,046	-	89,046
Prepaid expenses	4,110	-	4,110
	1,353,223	979,127	2,332,350
Noncurrent Assets			
Restricted assets			
Cash and cash equivalents	-	219,648	219,648
Capital assets -			
Land and construction in progress	1,796,906	1,574,360	3,371,266
Other capital assets, net of depreciation	1,308,204	7,390,651	8,698,855
	3,105,110	9,184,659	12,289,769
	4,458,333	10,163,786	14,622,119
DEFERRED OUTFLOWS OF RESOURCES			
Pensions	36,121	29,554	65,675
LIABILITIES			
Current Liabilities			
Accounts payable	227	-	227
Accrued payroll and benefits	5,052	3,258	8,310
Accrued compensated absences	2,151	359	2,510
Current portion of bonds payable	-	137,343	137,343
Grant received in advance	307,463	-	307,463
Accrued bond interest	-	13,020	13,020
Payable from restricted assets -			
Water deposits	-	7,158	7,158
	314,893	161,138	476,031
Noncurrent Liabilities			
Bonds payable	-	2,611,707	2,611,707
Accrued compensated absences	538	3,297	3,835
Net pension liability	165,068	135,056	300,124
	165,606	2,750,060	2,915,666
	480,499	2,911,198	3,391,697
NET POSITION			
Net investment in capital assets	3,105,110	6,215,961	9,321,071
Restricted	-	212,490	212,490
Unrestricted	908,845	853,691	1,762,536
	$ 4,013,955	$ 7,282,142	$ 11,296,097

The notes to the financial statements are an integral part of this statement.

CITY OF ABERDEEN, IDAHO
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	2024 Net (Expense)/ Revenue
EXPENDITURES				
General government	$ 278,349	$ 29,476	$ 39,754	$ (209,119)
Law enforcement	446,228	27,021	-	(419,207)
Planning and zoning	2,103	-	-	(2,103)
Street	181,816	-	-	(181,816)
Golf course	38,807	-	-	(38,807)
Airport	52,103	33,689	-	(18,414)
Parks and recreation	58,209	-	91,428	33,219
	1,057,615	90,186	131,182	(836,247)
Business-type activities				
Water	390,685	289,374	-	(101,311)
Waste water	595,952	487,502	1,073,468	965,018
Sanitation	231,716	230,719	-	(997)
	1,218,353	1,007,595	1,073,468	862,710
	$ 2,275,968	$ 1,097,781	$ 1,204,650	$ 26,463

CHANGES IN NET POSITION

	General Activities	Business-type Activities	2024 Total
Net (expense)/revenue	$ (836,247)	$ 862,710	$ 26,463
General revenues			
General property taxes and sales tax	533,658	-	533,658
Franchise fees	40,290	-	40,290
Intergovernmental taxes	486,422	-	486,422
Licenses, permits, fines, and other revenues	41,257	-	41,257
Interest income	27,189	30,876	58,065
Transfer in (out)	(67,210)	67,210	-
	1,061,606	98,086	1,159,692
NET CHANGE IN NET POSITION	225,359	960,796	1,186,155
BEGINNING NET POSITION	3,788,596	6,321,346	10,109,942
ENDING NET POSITION	$ 4,013,955	$ 7,282,142	$ 11,296,097

The notes to the financial statements are an integral part of this statement.

CITY OF ABERDEEN, IDAHO
BALANCE SHEETS
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024
WITH COMPARATIVE TOTAL AT SEPTEMBER 30, 2023

	2024 General Fund	2023 Total
ASSETS		
Cash and cash equivalents	$ 1,254,833	$ 1,062,258
Property taxes receivable	15,136	17,675
Grant receivable	23,536	241
Accounts receivable - intergovernmental	89,046	101,548
Prepaid expenses	4,110	4,712
	$ 1,386,661	$ 1,186,434
LIABILITIES		
Accounts payable	$ 227	$ 227
Accrued wages	5,052	6,619
Accrued compensated absences	2,151	4,000
Grant received in advance	307,463	355,343
Due to other funds	33,438	33,438
	348,331	399,627
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - tax	36,429	16,242
FUND BALANCES		
Nonspendable	4,110	4,712
Unassigned	997,791	765,853
	1,001,901	770,565
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 1,386,661	$ 1,186,434

The notes to the financial statements are an integral part of this statement.

CITY OF ABERDEEN, IDAHO
RECONCILIATIONS OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
AS OF SEPTEMBER 30, 2024

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS	$ 1,001,901
Amounts reported in the government-wide presentation of governmental activities in the Statement of Net Position are different from the governmental presentation above because:	
Capital assets, reported in the Government-wide Statement of Net Position, used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds, net of accumulated depreciation of $1,386,739.	3,105,110
Unavailable tax revenue represents amounts that were not available to fund current expenditures and, therefore, are not reported in the governmental funds.	36,429
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not report in the funds:	
Deferred outflows of resources related to pensions	36,121
Deferred inflows of resources related to pensions (from pension schedule)	-
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds:	
Net pension asset (liability)	(165,068)
Accrued compensated absences	(538)
Net position of governmental funds in the government-wide presentation of the Statement of Net Position.	$ 4,013,955

The notes to the financial statements are an integral part of this statement.

CITY OF ABERDEEN, IDAHO
STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS (PAGE 1 OF 2)
FOR THE YEAR ENDED SEPTEMBER 30, 2024
WITH COMPARATIVE TOTAL FOR THE YEAR ENDED SEPTEMBER 30, 2023

	2024 General Fund	2023 Total
REVENUES		
General revenues		
General property taxes	$ 513,471	$ 460,259
Franchise fees	40,290	47,315
Intergovernmental	486,422	437,702
Interest income	27,189	13,837
Program revenues		
Charges for services	90,186	70,790
Licenses, permits, fines, and other revenues	41,257	46,611
Grants	131,182	49,340
	1,329,997	1,125,854
EXPENDITURES		
General government	264,896	229,629
Law enforcement	445,984	404,022
Planning and zoning	2,103	2,238
Street	159,223	308,279
Golf course	35,000	34,000
Airport	35,401	48,271
Parks and recreation	47,916	38,382
Capital outlays	40,928	72,811
	1,031,451	1,137,632
REVENUES OVER (UNDER) EXPENDITURES	298,546	(11,778)
OTHER FINANCING SOURCES (USES)		
Transfers out	(67,210)	(21,631)
	(67,210)	(21,631)
NET CHANGE IN FUND BALANCE	231,336	(33,409)
BEGINNING FUND BALANCE	770,565	803,974
ENDING FUND BALANCE	$ 1,001,901	$ 770,565

(Continued)

The notes to the financial statements are an integral part of this statement.

CITY OF ABERDEEN, IDAHO
STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS (PAGE 2 OF 2)
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	2024 General Fund
Reconciliation of the change in fund balances - total governmental funds to the change in net position of governmental activities:	
Net change in fund balances - total governmental funds (previous page).	$ 231,336
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures while government-wide Statement of Activities reports depreciation expense to allocate those expenditures over the life of the assets:	
Capital asset purchases and contributions	40,928
Depreciation expense	(64,210)
Unavailable revenues are not recorded as current period receipts in governmental funds.	20,187
Governmental funds report district pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.	
Net change in pension liabilities, deferred inflows, outflows and pension expense.	(3,344)
Some expenses reported in the government-wide Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:	
Accrued compensated absences	462
Change in net position in the government-wide presentation of the Statement of Activities.	$ 225,359

The notes to the financial statements are an integral part of this statement.

CITY OF ABERDEEN, IDAHO
STATEMENTS OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2024
WITH COMPARATIVE TOTAL AT SEPTEMBER 30, 2023

	Water Fund	Waste Water Fund	Nonmajor Sanitation Fund	2024 Total	2023 Total
ASSETS					
Current assets					
Cash and cash equivalents	$ 210,159	$ 537,781	$ 36,232	$ 784,172	$ 568,882
Accounts receivable, net	27,975	45,227	21,587	94,789	86,704
Grant receivable	-	66,728	-	66,728	208,819
Due from other funds	16,713	16,725	-	33,438	33,438
	254,847	666,461	57,819	979,127	897,843
Noncurrent assets					
Restricted assets					
Cash and cash equivalents	78,678	140,970	-	219,648	205,551
Capital assets					
Land	3,000	17,390	-	20,390	20,390
Construction in progress	-	1,553,970	-	1,553,970	480,502
Buildings and improvements	52,438	11,522,769	18,546	11,593,753	11,593,753
Machinery and equipment	261,224	328,206	6,000	595,430	585,422
Transportation equipment	44,145	33,523	-	77,668	77,668
Water system	3,503,363	-	-	3,503,363	3,503,363
Accumulated depreciation	(2,938,104)	(5,431,750)	(9,709)	(8,379,563)	(8,049,407)
	1,004,744	8,165,078	14,837	9,184,659	8,417,242
	1,259,591	8,831,539	72,656	10,163,786	9,315,085
DEFERRED OUTFLOWS OF RESOURCES					
Pensions	13,135	16,419	-	29,554	55,376
LIABILITIES					
Current Liabilities					
Accrued wages	1,122	2,136	-	3,258	4,462
Accrued compensated absences	193	166	-	359	1,863
Current portion of revenue bonds payable	49,178	88,165	-	137,343	133,294
Accrued bond interest	-	13,020	-	13,020	13,713
Payable from restricted assets -					
Water deposits	7,158	-	-	7,158	7,158
	57,651	103,487	-	161,138	160,490
Noncurrent Liabilities					
Net pension	60,025	75,031	-	135,056	139,111
Accrued compensated absences	773	2,524	-	3,297	465
Revenue bonds payable	476,506	2,135,201	-	2,611,707	2,749,049
	537,304	2,212,756	-	2,750,060	2,888,625
	594,955	2,316,243	-	2,911,198	3,049,115
DEFERRED INFLOWS OF RESOURCES					
Pensions	-	-	-	-	-
NET POSITION					
Net Investment in capital assets	400,382	5,800,742	14,837	6,215,961	5,329,348
Restricted	71,520	140,970	-	212,490	198,393
Unrestricted	205,869	590,003	57,819	853,691	793,605
	$ 677,771	$ 6,531,715	$ 72,656	$ 7,282,142	$ 6,321,346

The notes to the financial statements are an integral part of this statement.

CITY OF ABERDEEN, IDAHO
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024
WITH COMPARATIVE TOTAL FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Water Fund	Waste Water Fund	Nonmajor Sanitation Fund	2024 Total	2023 Total
OPERATING REVENUES					
Service revenue	$ -	$ -	$ 230,719	$ 230,719	$ 226,521
Revenue used as security for revenue bonds:					
Service charges	289,374	487,502	-	776,876	743,475
	289,374	487,502	230,719	1,007,595	969,996
OPERATING EXPENSES					
Salaries and wages	66,450	107,216	8,412	182,078	183,358
Personnel benefits	60,908	28,505	-	89,413	75,034
Operating	46,072	49,180	1,899	97,151	87,003
Supplies and repairs	32,267	36,311	-	68,578	50,097
Utilities	42,329	55,412	-	97,741	92,400
Water testing	885	13,624	-	14,509	13,892
Insurance	14,061	18,495	-	32,556	25,477
Professional services	3,200	3,500	-	6,700	120,460
Sanitation	-	-	220,169	220,169	209,525
Depreciation	99,767	229,153	1,236	330,156	327,785
Meeting and other expenses	399	399	-	798	1,638
	366,338	541,795	231,716	1,139,849	1,186,669
OPERATING INCOME (LOSS)	(76,964)	(54,293)	(997)	(132,254)	(216,673)
NONOPERATING REVENUE (EXPENSE)					
Grants	-	1,073,468	-	1,073,468	564,735
Interest income	11,361	18,975	540	30,876	11,390
Interest expense	(24,347)	(54,157)	-	(78,504)	(82,619)
Transfer in (out)	-	67,210	-	67,210	21,631
	(12,986)	1,105,496	540	1,093,050	515,137
CHANGE IN NET POSITION	(89,950)	1,051,203	(457)	960,796	298,464
BEGINNING NET POSITION	767,721	5,480,512	73,113	6,321,346	6,022,882
ENDING NET POSITION	$ 677,771	$6,531,715	$ 72,656	$7,282,142	$6,321,346

The notes to the financial statements are an integral part of this statement.

CITY OF ABERDEEN, IDAHO
STATEMENTS OF CASH FLOWS - PROPRIETARY FUNDS (PAGE 1 OF 2)
FOR THE YEAR ENDED SEPTEMBER 30, 2024
WITH COMPARATIVE TOTAL FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Water Fund	Waste Water Fund	Sanitation Fund	2024 Total	2023 Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	$ 285,972	$ 484,110	$ 229,428	$ 999,510	$ 966,776
Cash paid to employees and suppliers	(230,567)	(326,755)	(230,480)	(787,802)	(862,169)
Net cash provided (used) by operating activities	55,405	157,355	(1,052)	211,708	104,607
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfer to other funds	-	67,210	-	67,210	21,631
Net cash provided by noncapital financing activities	-	67,210	-	67,210	21,631
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital expenditures	-	(1,083,476)	-	(1,083,476)	(547,126)
Cash received from grantor	-	1,215,559	-	1,215,559	377,636
Principal paid on bonds	(47,173)	(86,120)	-	(133,293)	(129,372)
Interest paid on bonds	(24,347)	(54,850)	-	(79,197)	(83,118)
Net cash used in capital and related financing activities	(71,520)	(8,887)	-	(80,407)	(381,980)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest income	11,361	18,975	540	30,876	11,391
Net cash provided by investing activities	11,361	18,975	540	30,876	11,391
NET INCREASE (DECREASE) IN CASH	(4,754)	234,653	(512)	229,387	(244,351)
BEGINNING CASH AND CASH EQUIVALENTS	293,591	444,098	36,744	774,433	1,018,784
ENDING CASH AND CASH EQUIVALENTS	$ 288,837	$ 678,751	$ 36,232	$ 1,003,820	$ 774,433
RECONCILIATION OF CASH AND CASH EQUIVALENTS					
Cash and cash equivalent	$ 210,159	$ 537,781	$ 36,232	$ 784,172	$ 568,882
Restricted cash	78,678	140,970	-	219,648	205,551
TOTAL CASH AND CASH EQUIVALENTS	$ 288,837	$ 678,751	$ 36,232	$ 1,003,820	$ 774,433

The notes to the financial statements are an integral part of this statement.

CITY OF ABERDEEN, IDAHO
RECONCILIATION OF OPERATING INCOME TO NET CASH
PROVIDED BY OPERATING ACTIVITIES (PAGE 2 OF 2)
FOR THE YEAR ENDED SEPTEMBER 30, 2024
WITH COMPARATIVE TOTAL FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Water Fund	Waste Water Fund	Sanitation Fund	2024 Total	2023 Total
OPERATING INCOME (LOSS)	$ (76,964)	$ (54,293)	$ (997)	$ (132,254)	$ (216,673)
ADJUSTMENTS TO RECONCILE NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES					
Depreciation	99,767	229,153	1,236	330,156	327,785
Net pension	36,423	(14,656)	-	21,767	2,308
(Increase) decrease in assets					
Accounts receivable	(3,402)	(3,392)	(1,291)	(8,085)	(3,220)
Increase (decrease) in liabilities					
Accrued wages	(554)	(650)	-	(1,204)	(4,241)
Accrued compensated absences	135	1,193	-	1,328	(1,352)
	132,369	211,648	(55)	343,962	321,280
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$ 55,405	$ 157,355	$ (1,052)	$ 211,708	$ 104,607

The notes to the financial statements are an integral part of this statement.

NOTE 1 - Summary of Significant Accounting Policies

The City's financial statements comply with generally accepted accounting principles (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements within the codification. The government-wide financial statements, including the enterprise funds and the fund financial statements for the proprietary funds, are also under GASB codification. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

A. Reporting Entity

The City's financial reporting entity comprises the following:

Primary Government

In determining the financial reporting entity, the City complies with the provisions of GASB Statement No. 61, "The Financial Reporting Entity," and includes all component units of which the City appointed a voting majority of the units' board; the City is either able to impose its will on the unit or a financial benefit or burden relationship exists. Currently, the City has no component units.

B. Basis of Presentation

Government-wide Statements

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures or expenses. Funds are organized into three major categories: Governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

a. Total assets, liabilities, revenues or expenditures or expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type.

b. Total assets, liabilities, revenues, or expenditures or expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

NOTE 1 - Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation (Continued)

Governmental Funds

General Fund

The General Fund is the general operating fund of the City and is always classified as a major fund. All financial resources, except those required to be accounted for in another fund, are accounted for in the General Fund.

The City has no other governmental funds.

Proprietary Funds

Enterprise Funds

Enterprise funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector. The reporting entity includes the water, waste water, and sanitation funds.

The City reports the following major proprietary funds:

Water fund - This fund accounts for the operations involved in the collecting and distributing culinary water to the citizens of Aberdeen.

Waste water fund - This fund accounts for the operations involved with city sewer services.

C. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-like activities are presented using the economic resources measurement focus as defined in item b. below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

a. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

NOTE 1 - Summary of Significant Accounting Policies (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

b. The proprietary funds utilize an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-like activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due.

All proprietary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

D. Budgets and Encumbrances

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the general and special revenue funds. All annual appropriations lapse at fiscal year end.

Each month the City prepares a financial report that reflects the actual and budgeted financial data. All purchases are reviewed by the City Council. The City does not use the encumbrance method of accounting.

E. Cash and Investments

For the purpose of the Statement of Net Position, "Cash and cash equivalents" includes all demand, savings accounts, and certificates of deposits of the City. For the purpose of the proprietary fund Statement of Cash Flows, "Cash and cash equivalents" include all demand and savings accounts, and certificates of deposit or short-term investments with an original maturity of three months or less.

NOTE 1 - Summary of Significant Accounting Policies (Continued)

F. Property, Plant, and Equipment

The accounting treatment for property, plant and equipment depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Government-wide Statements

In the government-wide financial statements, fixed assets are accounted for as capital assets. All fixed assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated fixed assets which are recorded at their estimated fair value at the date of donation. The City capitalizes all assets over $5,000 that have an estimated useful life over one year.

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	40 years
Other structures	5-40 years
Vehicles	3-10 years
Equipment	3-15 years

Fund Financial Statements

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

G. Restricted Assets

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

H. Long-term Debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term debt consists primarily of notes payable, capital leases, and accrued compensated absences.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. Debt proceeds are reported as other financing sources. Payment of principal and interest are reported as expenditures. The accounting for proprietary funds is the same in the fund statements as it is in the government-wide statements.

NOTE 1 - Summary of Significant Accounting Policies (Continued)

I. Compensated Absences

The City's policies regarding vacation time permit employees to accumulate earned but unused vacation leave. The liability for these unpaid compensated absences is recorded as long-term debt in the government-wide statements. The current portion of this debt is estimated based on historical trends. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources, while the proprietary funds report the liability as it is incurred.

J. Equity Classifications

Government-wide Statements

Equity is classified as net position and displayed in three components:

a. Net investment in capital assets: consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages notes, or other borrowings that are attributable to the acquisition, construction, or improvement of these assets.

b. Restricted: consists of assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

c. Unrestricted: includes all other net position funds that do not meet the definition of "restricted" or "net investment in capital assets."

Governmental fund balances

In the fund financial statements, governmental funds report the following classifications of fund balance:

a. *Nonspendable items*- This category includes a portion of net resources that cannot be spent because of their form or because they must be maintained intact. This includes inventories and prepaid items.

b. *Restricted items* - This category includes resources where limitations are imposed by external entities, such as grantors and creditors, or to comply with laws and regulations of governments.

c. *Committed items*- This category includes amounts that can only be used for the specific purposes determined by a formal action of the City's highest level of decision-making authority for the City. Commitments may be changed or lifted only by the Council taking the same formal action that imposed the constraint originally.

NOTE 1 - Summary of Significant Accounting Policies (Continued)

J. Equity Classifications (Continued)

d. *Assigned items*- Assigned items represent the City's intent to use certain resources for specific purposes. The City Council may establish the intended use of these funds for a designated purpose.

e. *Unassigned items* - Represents the remainder of the City's equity in governmental fund-type balances in excess of the aforementioned classifications.

The governing body has approved the following order of spending regarding fund balance categories: Restricted resources are spent first when both restricted and unrestricted (committed, assigned or unassigned) resources are available for expenditures. When unrestricted resources are spent, the order of spending is committed (if applicable), assigned (if applicable) and unassigned.

K. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the City to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

L. Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

M. Pensions

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

NOTE 2 - Legal Compliance - Budgets

Approximately six to seven months before the start of a new fiscal year, the City's financial officer submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1. The budget is prepared by fund, function and activity, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year.

The City Council holds public hearings and may add to, subtract from or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated as available to the City or the revenue estimates must be changed by an affirmative vote of a majority of the City Council. After public hearings and before the end of the fiscal year, the City Council formally adopts the budget.

Expenditures may not legally exceed budgeted appropriations at the activity level. During the year, several supplementary appropriations may be necessary.

NOTE 3 - Restricted Assets and Payable from Restricted Assets

Assets have been set aside for special items and are restricted for that purpose. To date cash has been restricted for the following items:

Proprietary	
Bond reserve	$ 212,490
Water deposits	7,158
Total	$ 219,648

Bond reserves are amounts the City is legally required to restrict for the repayment of outstanding bonds. Restricted resources are used only after the unrestricted resources are depleted.

The Series 2003 Bond reserve requires the City to increase the reserve account by an amount equal to 10% of each annual payment until the bond has been retired.

Water deposits are no longer collected. However, money on deposit from prior deposits collections may be used to pay past due balances or is returned when the payer's payment history improves.

NOTE 4 - Property Tax

Bingham County has the responsibility of assessing and collecting all property taxes. Taxes levied for the year are payable in two installments due December 20th of the current year and June 20th of the following year. The County remits property taxes collected to the City monthly.

Property taxes are recognized as revenue when received for monthly reporting purposes. At year end, an accrual is made to recognize property taxes receivable at year end. At year end, $15,136 in outstanding property taxes were expected to be collected and remitted by the County.

NOTE 5 - Tax Abatements

The City was not subject to tax abatements during the year, or at year end.

NOTE 6 - Risk Management

The City is exposed to various risks of loss. The City has acquired commercial insurance to reduce these risks.

NOTE 7 - Concentration of Risk

The City grants credit to customers within the City for utility service. This extension of credit potentially subjects the City to credit risk.

NOTE 8 - Deposits and Investments

Deposits at yearend consist of the following:

Deposits	Book	Bank
Cash in bank	$ 2,258,653	$ 2,404,203

Deposits - Custodial Credit Risk for deposits is the risk that, in the event of bank failure, the government's deposits may not be returned to it. At September 30, 2024, the City had $2,154,203 of uninsured and uncollateralized deposits.

Investments - The City had no investments.

NOTE 9 - Accounts Receivable

Management has determined which accounts will most likely not be collected. The Statement of Net Position - Proprietary Fund - Accounts Receivable reflects the net amount as shown:

	Water	Waste Water	Sanitation	Total
Accounts receivable	$ 30,615	$ 49,978	$ 23,737	$ 104,330
Less allowance for bad debts	(2,640)	(4,751)	(2,150)	(9,541)
Net accounts receivable	$ 27,975	$ 45,227	$ 21,587	$ 94,789

NOTE 10 - Changes in Fixed Assets

A summary of general fixed assets at September 30 is as follows:

	Beginning Balance	Additions	Dispositions	Ending Balance
Capital assets, not depreciated				
Land	$ 1,755,978	$ -	$ -	$ 1,755,978
Work in Process	-	40,928	-	40,928
	1,755,978	40,928	-	1,796,906
Capital assets, depreciated				
Buildings and improvements	1,167,458	-	-	1,167,458
Vehicles	127,559	-	-	127,559
Equipment	664,129	-	-	664,129
Infrastructure	735,797	-	-	735,797
	2,694,943	-	-	2,694,943
Less accumulated depreciation	1,322,529	64,210	-	1,386,739
Capital assets, net of depreciation	1,372,414	(64,210)	-	1,308,204
	$ 3,128,392	$ (23,282)	$ -	$ 3,105,110

NOTE 10 - Changes in Fixed Assets - Continued

A summary of proprietary type fixed assets at September 30 is as follows:

	Beginning Balance	Additions	Dispositions	Ending Balance
Capital assets, not depreciated				
Land	$ 20,390	$ -	$ -	$ 20,390
Work in Process	480,502	1,073,468	-	1,553,970
	500,892	1,073,468	-	1,574,360
Capital assets, depreciated				
Buildings and improvements	11,412,849	-	-	11,412,849
Water system	3,693,172	-	-	3,693,172
Vehicles	81,268	-	-	81,268
Equipment	572,917	10,008	-	582,925
	15,760,206	10,008	-	15,770,214
Less accumulated depreciation	8,049,407	330,156	-	8,379,563
Capital assets, net of depreciation	7,710,799	(320,148)	-	7,390,651
	$ 8,211,691	$ 753,320	$ -	$ 8,965,011

NOTE 11 - Long-term Debt

The City's long-term debt is segregated between the amounts to be repaid from governmental activities and amounts to be repaid from business-type activities.

Governmental Activities:

At yearend, the governmental long-term debt of the City consisted of the following:

Accrued Compensated Absences:

Total	$ 2,689
Less: Current portion	2,151
Noncurrent portion	$ 538

	Beginning Balance	Additions	Reductions	Ending Balance	Due in One Year
Accrued compensated absences	$ 5,000	$ 11,601	$ 13,912	$ 2,689	$ 2,151
	$ 5,000	$ 11,601	$ 13,912	$ 2,689	$ 2,151

Business-type Activities:

At yearend, the proprietary fund long-term debt of the City consisted of the following:

NOTE 11 - Long-term Debt - Continued

Accrued Compensated Absences:

Total	$ 3,656
Less: Current portion	359
Noncurrent portion	$ 3,297

Bonds Payable:

Water Improvement Bond, Series 2003	$ 525,684
Less Current Portion	49,178
Noncurrent portion	$ 476,506

Business-type Activities (Continued):

Sewer Revenue Bond, Series 2014	$ 2,223,366
Less Current Portion	88,165
Noncurrent portion	$ 2,135,201

The City's long-term debt transaction were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due in One Year
Accrued Compensated Absences	$ 2,328	$ 14,117	$ 12,789	$ 3,656	$ 359
Water Improvement Bond, Series 2003	572,857	-	47,173	525,684	49,178
Sewer Revenue Bond, Series 2014	2,309,486	-	86,120	2,223,366	88,165
	$2,884,671	$ 14,117	$ 146,082	$ 2,752,706	$ 137,702

Annual Debt Service Requirements

Year Ending September 30	Business-type Principal	Interest	Total
2025	$ 137,343	$ 75,147	$ 212,490
2026	141,528	70,962	212,490
2027	145,848	66,640	212,488
2028	150,316	62,174	212,490
2029	154,931	57,559	212,490
2030-2034	777,816	212,992	990,808
2035-2039	584,566	120,284	704,850
2040-2044	656,702	47,492	704,194
	$ 2,749,050	$ 713,250	$ 3,462,300

NOTE 11 - Long-term Debt (Continued)

Water Improvement Revenue Bond, Series 2003

In 2003, the City obtained a revenue bond within the Water fund with an interest rate of 4.25%. The bond requires 30 annual payments of principal and interest in the amount of $71,520.

Sewer Improvement Revenue Bond, Series 2014

On July 2, 2014, the City obtained a revenue bond within the Sewer fund with an interest rate of 2.375%. The bond requires 30 annual payments of principal and interest in the amount of $140,970.

NOTE 12 - Interfund Balances

Interfund Balances Reported in the Fund Statements

Due From	Due To		
	Water Fund	Waste Water Fund	
General Fund	16,713	16,725	$ 33,438

The City transferred funds from the Water and Waste Water fund to the general fund in 2011. These monies do not have a retirement date.

NOTE 13 - Pension Activity - Employer Reporting

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

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

Pension Benefits

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

NOTE 13 - Pension Activity - Employer Reporting - Continued

The benefit payments for the Base Plan are calculated using a benefit formula adopted by the Idaho Legislature. The Base Plan is required to provide a 1% minimum cost of living increase per year provided the Consumer Price Index increases 1% or more. The PERSI Board has the authority to provide higher cost of living increases to a maximum of the Consumer Price Index movement or 6%, whichever is less; however, any amount above the 1% minimum is subject to review by the Idaho Legislature.

Member and Employer Contributions

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

The contribution rates for employees are set by statute at 60% of the employer rate for general employees and 74% for police and firefighters. As of June 30, 2024, it was 6.71% for general employees and 9.83% for police and firefighters. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.18% general employees and 13.26% for police and firefighters. The City's contributions were $43,662 for the year ended September 30, 2024.

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

At September 30, 2024, the City reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2024, the City's proportion was 0.00802332 percent.

For the year ended September 30, 2024, the City recognized pension expense (revenue) of $69,070. At September 30, 2024, the City 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	$ 47,783	$ -
Changes in assumptions or other inputs	11,889	-
Net difference between projected and actual earnings on pension plan investments	(5,448)	-
City's contributions subsequent to the measurement date	11,451	-
	$ 65,675	$ -

NOTE 13 - Pension Activity - Employer Reporting (Continued)

The amount of $11,451, reported as deferred outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2025.

The average of the expected remaining service lives of all employees that are provided with pensions through the System (active and inactive employees) determined at July 1, 2024 the beginning of the measurement period ended June 30, 2023 is 4.6 and 4.6 for the measurement period June 30, 2024.

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

year ending September 30,	
2025	$ 14,813
2026	55,959
2027	(9,650)
2028	(6,898)
2029	-

Actuarial Assumptions

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

The total pension liability in the June 30, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.30%
Salary increases including inflation	3.05%
Investment rate of return	6.35%, net of investment expenses
Cost-of-living (COLA) adjustments	1.00%

Contributing Members, Service Retirement Members, and Beneficiaries
General Employees and All Beneficiaries - Males Pub-2010 General Tables, increased 11%.
General Employees and All Beneficiaries - Females Pub-2010 General Tables, increased 21%.
Teachers - Males Pub-2010 Teacher Tables, increased 12%.
Teachers - Females Pub-2010 Teacher Tables, increased 21%.
Fire & Police - Males Pub-2010 Safety Tables, increased 21%
Fire & Police - Females Pub-2010 Safety Tables, increased 26%.
5% of Fire and Police active member deaths are assumed to be duty related. This assumption was adopted July 1, 2021.
Disabled Members - Males Pub-2010 Disabled Tables, increased 38%.
Disabled Members - Females Pub-2010 Disabled Tables, increased 36%

NOTE 13 - Pension Activity - Employer Reporting (Continued)

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. 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.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	0%	0.00%
Large Cap	18%	4.50%
Small/Mid Cap	11%	4.70%
International Equity	15%	4.50%
Emerging Markets Equity	10%	4.90%
Domestic Fixed	20%	-0.25%
TIPS	10%	-0.30%
Real Estate	8%	3.75%
Private Equity	8%	6.00%

Discount Rate

The discount rate used to measure the total pension liability was 6.35%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate. Based on these assumptions, the pension plans' net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return was determined net of pension plan investment expense but without reduction for pension plan administrative expense.

Sensitivity of the Employer's proportionate share of the net pension liability to changes in the discount rate - The following presents the Employer's proportionate share of the net pension liability calculated using the discount rate of 6.35 percent, as well as the employer's liability 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 (5.35%)	Current Discount Rate (6.35%)	1% Increase (7.35%)
Employer's proportionate share of the net pension liability (asset)	$ 570,329	$ 300,124	$ 79,435

NOTE 13 - Pension Activity - Employer Reporting (Continued)

Pension plan fiduciary net position

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

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

Payables to the pension plan

At September 30, 2024, the City reported payables to the defined benefit pension plan of $0 for legally required employer contributions and $0 for legally required employee contributions which had been withheld from employee wages but not yet remitted to PERSI.

NOTE 14 - Funds Held for Bingham County

The City receives funds for car registrations on behalf of Bingham County. A separate computer is used for the registrations and the money is separated and deposited into a County Assessor bank account. The funds received by the City on behalf of the County are not included in the City's financial statements.

NOTE 15 - Subsequent Events

Management has evaluated subsequent events through June 25, 2025, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF ABERDEEN, IDAHO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
REVENUES				
General revenues				
General property taxes and sales tax	$ 565,434	$ 565,434	$ 513,471	$ (51,963)
Franchise fees	67,403	67,403	40,290	(27,113)
Intergovernmental	550,892	550,892	486,422	(64,470)
Interest income	14,200	14,200	27,189	12,989
Program revenue				
Charges for services	157,537	157,537	90,186	(67,351)
Licenses, permits, fines, and other revenues	76,740	76,740	41,257	(35,483)
Grants	2,692,277	2,692,277	131,182	(2,561,095)
	4,124,483	4,124,483	1,329,997	(2,794,486)
EXPENDITURES				
General government	450,732	450,732	264,896	185,836
Law Enforcement	426,952	426,952	445,984	(19,032)
Planning and zoning	4,053	4,053	2,103	1,950
Street	414,512	414,512	159,223	255,289
Golf course	45,000	45,000	35,000	10,000
Airport	53,450	53,450	35,401	18,049
Parks and recreation	41,830	41,830	47,916	(6,086)
Capital outlays	2,590,180	2,590,180	40,928	2,549,252
Total charges to appropriations	4,026,709	4,026,709	1,031,451	2,995,258
EXCESS REVENUES (EXPENDITURES)	97,774	97,774	298,546	200,772
OTHER FINANCING SOURCES (USES)				
Sale of equipment	10,000	10,000	-	(10,000)
Transfers	(107,774)	(107,774)	(67,210)	40,564
	(97,774)	(97,774)	(67,210)	30,564
NET CHANGE IN FUND BALANCE	$ -	$ -	231,336	$ 231,336
BEGINNING FUND BALANCE			770,565	
ENDING FUND BALANCE			$ 1,001,901	

CITY OF ABERDEEN
SEPTEMBER 30, 2024

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Employer's portion of net the pension liability	0.0080233%	0.0087148%	0.0109441%	0.0149336%	0.0160882%	0.0169334%	0.0157681%	0.0162385%	0.0164775%	0.0170414%
Employer's proportionate share of the net pension liability (asset)	$ 300,124	$ 347,778	$ 431,062	$ (11,794)	$ 373,588	$ 193,291	$ 232,581	$ 255,241	$ 334,024	$ 224,408
Employer's covered-employee payroll	$ 392,278	$ 370,544	$ 429,553	$ 550,865	$ 566,711	$ 575,124	$ 502,432	$ 499,501	$ 477,280	$ 472,731
Employer's proportional share of the net pension liability as a percentage of its covered-employee payroll	76.51%	93.86%	100.35%	-2.14%	65.92%	33.61%	46.29%	51.10%	69.98%	47.47%
Plan fiduciary net position as a percentage of the total pension liability	85.54%	83.83%	83.09%	100.36%	88.22%	93.79%	90.68%	90.68%	87.26%	91.38%

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

Data reported is measured as of June 30, 2024.

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	$ 43,662	$ 45,711	$ 47,069	$ 67,073	$ 65,811	$ 67,227	$ 59,312	$ 58,558	$ 53,387	$ 54,108
Contributions in relation to the statutorily required contribution	43,662	45,711	47,069	67,073	65,811	67,227	59,312	58,558	53,387	54,108
Contribution (deficiency) excess	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employer's covered-employee payroll	$ 385,730	$ 388,615	$ 393,894	$ 555,263	$ 545,388	$ 588,163	$ 518,915	$ 512,318	$ 467,056	$ 473,558
Contributions as a percentage of covered-employee payroll	11.32%	11.76%	11.95%	12.08%	12.07%	11.43%	11.43%	11.43%	11.43%	11.43%

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

Data reported is measured as of September 30, 2024

Budgetary Reporting

The budgetary comparison is presented as Required Supplementary Information in accordance with Governmental Accounting Standards Board Statement (GASBS) No. 41 for governments with significant budgetary perspective differences.

The perspective difference are related to the General, Street, Airport and Park and Recreation activities.

NOTE 1 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Basis of budgetary Accounting

The City is required by State law to adopt annual budgets on all governmental funds that cover a period from October 1, through September 30. All adopted budgets are prepared in accordance with the modified accrual basis of accounting and are adopted on a basis consistent with generally accepted accounting principles.

SINGLE AUDIT SECTION

CITY OF ABERDEEN, IDAHO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2024

FEDERAL GRANTOR/PASS – THROUGH GRANTOR	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Total Federal Expenditures	Passed Through to Subrecipient
Grant Awards				
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Passed through Idaho Department of Commerce and Labor				
Community Development Block Grant	14.228	ICDBG-22-V-19-PF	$ 40,928	-
			40,928	-
U.S. DEPARTMENT OF TRANSPORTATION				
Airport Improvement Program	20.106		23,283	-
			23,283	-
DEPARTMENT OF THE TREASURY				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027		10,008	-
Passed through Idaho Department of Environmental Quality				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.207		1,073,468	-
			1,083,476	
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 1,147,687	$ -

CITY OF ABERDEEN, IDAHO
NOTES TO SCHEDULE OF EXPENDITURES OF FEDRAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of City of Aberdeen under programs of the federal government for the year ended September 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City of Aberdeen, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City of Aberdeen.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE C—INDIRECT COST RATE

The City of Aberdeen has elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE D - SUBRECIPIENTS

The City did not pass through any grant funds to sub recipients.

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

To the City Council
City of Aberdeen, Idaho

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 Standardsd issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Aberdeen, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise City of Aberdeen's basic financial statements, and have issued our report thereon dated June 25, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit, we considered City of Aberdeen’s internal control over financial reporting (internal control) as a basis for designing our auditing 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 City of Aberdeen’s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Aberdeen’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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency (2024-001) in internal control, described in the accompanying schedule of findings and responses that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Aberdeen's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* .

City of Aberdeen's Response to Findings

Government auditing standards requires the auditor to perform limited procedures on the City of Aberdeen's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. City of Aberdeen's response was not subjected to the 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Deaton & Company

Pocatello, Idaho
June 25, 2025

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the City Council
City of Aberdeen, Idaho

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited City of Aberdeen's compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have direct and material effect on each of City of Aberdeen's major federal programs for the year ended September 30, 2024. City of Aberdeen's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, City of Aberdeen complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of City of Aberdeen and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of City of Aberdeen's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to City of Aberdeen's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on City of Aberdeen's compliance based on our audit. 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, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about City of Aberdeen's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 City of Aberdeen's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of City of Aberdeen's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of City of Aberdeen's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Pocatello, Idaho
June 25, 2025

CITY OF ABERDEEN, IDAHO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

SUMMARY OF AUDITOR RESULTS

1) The auditor's report expresses an unmodified opinion on whether the financial statements of City of Aberdeen were prepared in accordance with GAAP.

2) One significant deficiency disclosed during the audit of the financial statements is reported in the report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards. No material weaknesses are reported.

3) No instances of noncompliance material to the financial statements of City of Aberdeen, which would be required to be reported in accordance with Government Auditing Standards, were disclosed during the audit.

4) No reportable conditions relating to the audit of the major federal award programs are reported in the Report on Compliance with Requirements Applicable to each Major Program and Internal Control over Compliance in Accordance with the Uniform Guidance.

5) The auditor's report on compliance for the major federal award programs for City of Aberdeen expresses an unmodified opinion on all major federal programs.

6) There are no audit findings that are required to be reported in accordance with 2 CFR section 200.516(a) in this Schedule.

7) The program tested as a major program was Department of the Treasury 21.027, COVID-19 Coronavirus State and Local Fiscal Recovery Funds.

8) The threshold used for distinguishing between Type A and B programs was $750,000.

9) City of Aberdeen was determined to be a high-risk auditee.

FINDINGS - FINANCIAL STATEMENTS AUDIT

2024-001

Conditions and Criteria: Government Auditing Standards require the reporting entity to employ a person with the qualifications and training necessary to prepare the Organization's financial statements, notes and required supplementary information in accordance with generally accepted accounting principles.

Effect: The auditing firm was requested to draft the financial statements, notes, and required supplementary information to the financial statements.

Cause: City of Aberdeen's internal control system does not currently require the entity to employ a person with the qualifications and training necessary to prepare the Organization's financial statements, notes and required supplementary information in accordance with generally accepted accounting principles.

CITY OF ABERDEEN, IDAHO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

FINDINGS - FINANCIAL STATEMENTS AUDIT - CONTINUED

Auditor's Recommendation : This circumstance is not unusual in an organization of this size. It is the responsibility of management and those charged with governance to make the decision whether to accept the degree of risk associated with this condition because of cost or other considerations.

Views of Responsible Officials and Planned Corrective Actions: Management has determined that it is not cost effective to employ such a person or third party solely to prepare the financial statements and related notes for the audit. The City has elected to have the auditor prepare the financial statements.

FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

None

SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

FINDINGS -

None