CITY OF ASHTON
ASHTON, IDAHO

Basic Financial Statements
And
Required Supplemental Information
With
Supplemental Information
And
Independent Auditor's Report

Year Ended September 30, 2024

CITY OF ASHTON

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INDEPENDENT AUDITOR'S REPORT

Mayor and City Council
City of Ashton
Ashton, Idaho 83420

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Ashton, Idaho as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City of Ashton'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 the City of Ashton, Idaho, 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 Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Ashton, 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 Ashton, Idaho'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 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, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Ashton, Idaho'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 the City of Ashton, Idaho's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 1 through 8, budgetary comparison information and schedules of employer's share of net pension liability and employer contributions on page 34 through 37 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.

Supplementary & Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Ashton, Idaho's basic financial statements. The introductory section, combining and individual non-major fund financial statements, and statistical section 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 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 12, 2025, on our consideration of the City of Ashton, Idaho'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 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 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 Ashton, Idaho's internal control over financial reporting and compliance.

Jensen Poulsen & Company, PLLC

JENSEN POULSEN & COMPANY, PLLC
Certified Public Accountants
Idaho Falls, ID
February 12, 2025

Management's Discussion and Analysis
Fiscal Year 2023-2024

The management's discussion and analysis (MD&A) of the City of Ashton's financial performance provides an overall review of the City's financial activities for the year ended September 30, 2024. The intent of this discussion is to look at the City's financial performance as a whole; readers should also review the transmittal letter and the basic financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

- On September 30, 2024, the assets of the City exceeded its liabilities by $ 9,517,289. Of this amount, $ 1,580,299 is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's net assets increased $ 1,091,111 as a result of this year's operations. The governmental net assets increased by $ 154,289 and the business-type net assets increased by $ 936,822.
- At September 30, 2024, the City's governmental funds reported combined ending fund balance of $ 463,587 a increase of $ 227,821 in comparison with the prior year.
- The unreserved fund balance for the general fund was $ 89,022 or 15% of the total general fund expenditure.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City of Ashton's' basic financial statements. The City's basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private sector business.

The statement of net assets presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the change occurs, regardless of the timing of related cash flow. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

- **Governmental Activities**- Most of the City's basic services are reported here, including the police, general administration, streets, parks and recreation. The Visitor Center is also included. These are principally supported by taxes, intergovernmental revenues, permits, fines, rents and grants.
- **Business-type Activities**- the city charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's water, sanitation, and sewer systems are reported here.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related

legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains ten individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and street fund which are considered to be major funds. Data from the other five governmental funds are combined into a single aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its governmental funds and proprietary funds. The budget was not amended during the fiscal year.

Proprietary Funds. The City maintains proprietary funds. Enterprise funds (one type of proprietary funds) are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water/sanitation and sewer operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water, sanitation and sewer operations, all of which are considered to be major funds of the City.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The City presently has no Fiduciary Funds.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the basic financial statements.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by $ 9,517,289 at September 30, 2024.

By far the largest portion of the City's net assets (80.5%) reflects its net investment in capital assets (e.g.,

land. infrastructure, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The city uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Net Assets

	Governmental activities		Business-type activities		Total	
	2024	2023	2024	2023	2024	2023
Current and other assets	$ 496,245	$ 278,026	$ 2,179,577	$ 1,908,361	$ 2,675,822	$ 2,186,387
Capital assets	1,726,515	1,804,999	12,379,920	11,585,288	14,106,435	13,390,287
Deferred Pension Outflows	52,806	108,138	24,369	48,584	77,175	156,722
Total assets	2,275,266	2,191,163	14,583,866	13,542,233	16,859,432	17,733,396
Long-term liabilities outstanding	81,586	94,355	6,461,897	6,665,125	6,543,483	6,759,480
Other liabilities	247,545	300,547	551,115	243,075	798,660	543,622
Total liabilities	329,131	394,902	7,013,012	6,908,200	7,342,143	7,303,102
Deferred Pension Inflows	0	0	0	0	0	0
Net assets:						
Invested in capital assets, net of related debt	1,726,515	1,804,999	5,934,491	4,937,48	7,661,006	6,742,747
Restricted	130,898	111,281	145,086	138,934	275,984	250,215
Unrestricted	89,022	(120,019)	1,491,277	1,557,351	1,580,299	1,437,332
Total net assets	$1,946,435	$1,796,261	$7,570,854	$6,634,033	$9,517,289	$8,430,294

An additional portion of the City's net assets (3%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets $ 1,580,299 may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the current year, the city was able to report positive balances in the three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

The net assets of the city, as a whole, increased $ 1,086,995 from $ 8,430,294 at September 30, 2023 to $9,517,289 at September 30, 2024. Governmental activities increased $ 150,174 and the business-type activities decreased $ 936,821 over the prior year.

Changes in unrestricted net assets

The City's unrestricted net assets - the part of net assets that can be used to finance day-to-day operations increased $ 142,967 (9%) over the prior year. Governmental activities increased $209,041 and the business-type activities decreased $ 66,074.

Changes in Net Assets

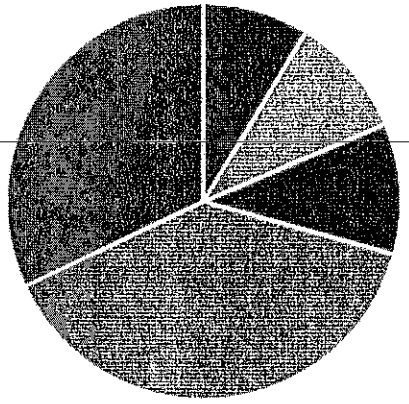
	Governmental-Type activities		Business-Type activities		Total	
	2024	2023	2023	2023	2024	2023
Revenues:						
Program revenues:						
Charges for Services	101,813	80,899	1,368,072	1,239,725	1,469,885	1,320,624
Operating grants and Contributions	98,058	51,249	0	0	98,058	51,249
Capital grants and Contributions	17,580	197,644	1,080,278	55,247	1,097,858	252,891
General revenues:						
Property taxes	450,093	455,579			450,093	455,579
Other State Revenue	124,898	138,301			124,898	138,301
Other	372,336	56,006	33,343	85,482	390,679	141,488
Total Revenue	**$1,164,778**	**$979,678**	**$2,481,693**	**$1,380,454**	**$3,631,471**	**$2,360,132**
Expenses:						
General government	198,003	357,218			198,003	357,218
Planning and building	20,216	20,921			20,216	20,921
Public safety	458,027	435,040			458,027	435,040
Public works	208,801	341,221			208,801	341,221
Culture and Recreation	140,442	147,183			140,442	147,183
Water			528,664	357,218	528,664	357,218
Interest on long term debt			142,874	69,895	142,874	69,895
Sanitation			287,928	259,396	287,928	259,396
Sewer utility			570,405	530,632	570,405	530,632
Interest on long term debt	0	0	0	0	0	0
Total expenses	**$1,025,489**	**$1,300,953**	**1,529,871**	**1,217,141**	**$2,555,360**	**$2,518,724**
Increase (decrease) in net assets	139,289	84,703	951,822	(29,287)	1,091,111	55,416
Transfers	15,000	192,600	(15,000)	(192,600)	0	0
Net assets – Beginning October 1	1,792,146	1,514,843	6,634,032	6,663,320	8,426,178	8,370,762
Prior period adjustments	0	0	0	0	0	0
Net assets – ending September 30	**$1,946,435**	**$1,792,146**	**$7,570,854**	**$6,634,032**	**$9,517,289**	**$8,426,178**

Governmental activities

Net assets increased by $ 139,289 in the governmental activities in 2024. Key elements of this net increase are as follows:

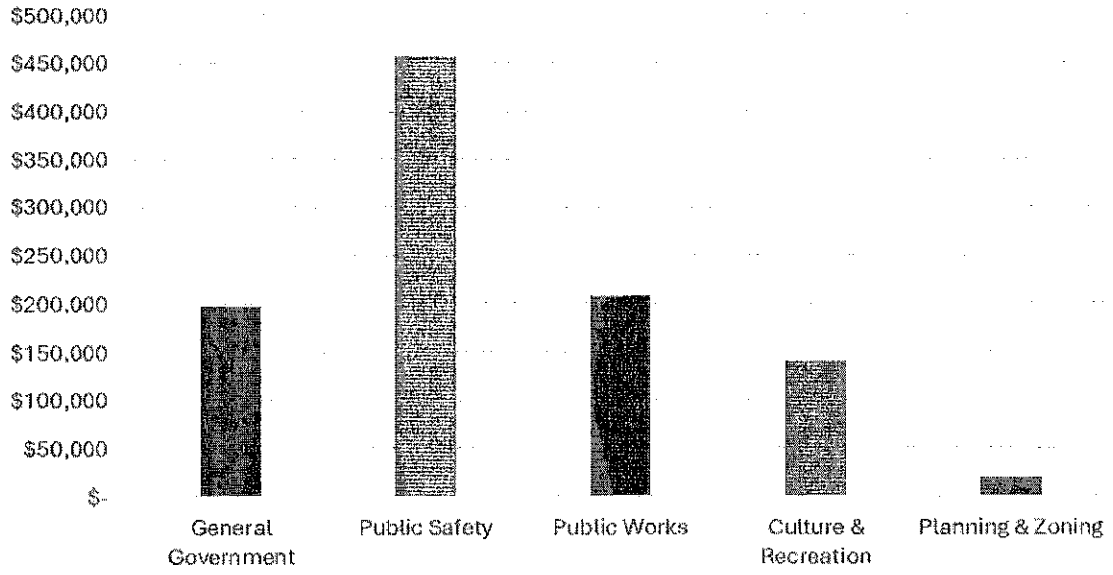
- Total expenses were up slightly in public safety for an increase of $22,987. The expenses in the other four governmental funds decreased: general government by $159,215, planning & building by $705, public works by $ 132,420 and culture & recreation by $6,741.
- The increase in the public safety expenses was due to the continued high fuel costs and the cost of training for the City's new police officer.
- In revenues, grant funding in the governmental funds amounted to $17,580. Other revenues stayed relatively steady with interest earnings going up through 20234.

2024 Revenue by Source - Governmental Activities



- Charges for Services
- Grants & Contributions
- Other State Revenue
- Property Taxes
- Unrestricted Investment Earnings & Other

2024 Expenses - Governmental Activity



Business-type activities

As already noted, business-type activities increased the net assets by $ 951,882. Key elements of this net increase are as follows:

- Two business-type funds show steady income: water $4,209 and sanitation $943,864 revenue over expenditures. The sewer base rate was changed for fiscal year 2022 and a 3% cost of living increase was authorized in 2023. The water fund had a loss of $93,214. The base rate for it was decreased in 2022 because of the expiration of a bond. A 3% increase was authorized for 2023.

- Expenses increased in all three business-type funds: by $171,446 in the water fund, $ 39,773 in the sewer fund, and $ 28,532 in the sanitation fund. Interest earnings on investments continued to go up in 2024. The large increase in water fund expenditures was due mostly to a water line replacement project on Maple Leaf Drive.

- Two of the city's business-type funds continue to earn steady returns with a net increase of $4,209 in the sanitation fund and $ 1,033,327 in the sewer fund. The water fund balance decreased by $100,714.

Financial Analysis of the City's Funds

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

As of September 30, 2024, the City's governmental funds reported combined ending fund balances of $463,587 an increase of $227,821 from the previous year. Of this total amount, $89,022 constitutes unreserved fund balance, which is available for spending at the government's discretion. The remainder of fund balance, $ 374,565, is reserved or designated to indicate that it is not available for new spending because it has already been committed 1) to pay debt service, 2) encumbrances, or 3) for a variety of other restricted purposes.

The general fund is the chief operating fund of the City. At September 30, 2024 the fund balance of the general fund was $ 379,801, an increase of $ 190,592 from the prior year. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved and total fund balances represent 76% of general fund expenditures.

Proprietary funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the water, sanitation and sewer, at September 30, 2024 amounted to $1,491,277. The total increase in net assets from the prior year for the funds was $936,822.

General Fund Budgetary Highlights. The City amended the 2024 general fund budget to allow for a transfer to the street fund for finalizing the Railroad Avenue Phase 2 project.

Streets Budgetary Highlights. The City amended the 2024 street fund to complete the Railroad Avenue Phase 2 project.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business type activities as of September 30, 2024 amounts to $12,379,920 (net of accumulated depreciation and related debt). Capital assets include land, infrastructure, buildings, improvements other than buildings, machinery and equipment and construction in progress.

Capital Assets

	Governmental activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land-Property	$ 60,014	$ 83,092	$664,121	$664,121	$724,135	$747,213
Buildings	628,634	733,593	0	0	628,634	733,593
Machinery and equipment	1,129,083	1,027,357	478,534	378,107	1,607,617	1,405,464
Improvements	2,151,712	2,74,891			2,151,712	1,729,202
Utility Property	0	0	14,596,576	14,580,071	14,596,576	14,527,193
Work in Progress	9,035	0	1,257,741	0	1,266,776	0
Accumulated Depreciation	-2,251,963	-2,213,931	-4,617,052	-4,134,898	-6,869,015	-6,348,829
Total	$ 1,726,515	$ 1,805,002	$12,379,920	$11,585,288	$14,106,435	$13,390,290

Additional information about the City's capital assets can be found in Note 5 in the notes to the financial statements.

Debt administration. At September 30, 2024, the city had $ 6,543,183 in debt outstanding compared to $ 6,758,028 the prior year, a 3% decrease.

Outstanding Debt

	2024	2023
Revenue bonds-net of premium	0	0
Rural Development Sewer Bond	786,125	822,730
DEQ Loan DW1101	1,757,968	1,845,866
DEQ Loan WW1701	3,901,336	3,978,941
Compensated absences (gov-type)	33,328	37,339
Lease Payable (gov-type)	47,958	57,016
Compensated absences (bus-type)	16,468	16,136
Total	$6,543,183	$6,758,028

Economic Factors and Next Year's Budgets and Rates

- The financial standing of the City this year has been improved by the rise in sewer rates enacted for FY2022. A rate study was completed and the city council raised the sewer base rate by $30. This raise should help to alleviate the impact of the rate issues that have been affecting the city since the 2007 sewer project. The City Council decision will help fund debt service, O & M and provide for any increased costs.
- The City Council authorized a decrease in the water rate following the payoff of the Rural Development note and the continued savings in the water fund. The impact of this decrease will be monitored in order to keep up with the debt service, O & M costs and provision for increased costs. The water revenue for FY2024 showed that an increase will be necessary so the Council enacted a 5% increase for FY2025.
- Part of the City Building was renovated in 2017 in order to provide for a Police Department Office. The police now have an interrogation room, better evidence storage and more office space. In 2018 the heating system in the police building was updated. The police have continued to improve the evidence storage capacity and management. The building continues to improve the morale of the police and their service to the community. New vehicle leases began in FY2022

and will be monitored to see if it is a better solution for the safety of the officers as well as value for the citizens.

- The Ashton Urban Renewal Agency (AURA) joined the city in completing a new pavilion at the park in 2021. The landscaping on this project was completed in 2022. AURA then joined the city in the construction of a new intersection at Railroad Avenue and Main Street. This improvement has had a positive effect this year with the landscaping completed in the late summer.
- Phase 2 of the Railroad Avenue Improvement Project was completed in FY2024. There were some unanticipated problems with the drain which had been replaced in phase 1 of the project making the costs more than expected. The city is hoping to get another grant to finish Railroad Avenue to Idaho Street and then to the city limit eventually.
- The Idaho Department of Parks and Recreation bought the Visitor Center in FY2024. The City continues to maintain the dump station with plans to eventually turn over care of the dump station to Idaho Parks & Rec.
- The Tennis Court Revitalization Project was almost completed in 2021 with grants through the CHC Foundation and the Idaho Parks & Recreation Department. In FY2022, the parking area was completed but the landscaping has not yet been completed. The City hopes to complete this landscaping in 2025.
- A water line replacement project was completed on Maple Leaf Drive in FY2024. This line was old and had been the cause of many repair costs. The residents and public works staff are pleased with the replacement.

Infrastructure: The City of Ashton does not use the modified approach in analyzing the City's infrastructure.

These factors and many others were considered in preparing the City's budget for the *2025* fiscal year.

Requests for Information

"This financial report is designed to provide a general overview of the City's finances for all those with an Interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:
Cathy Stegelmeier, City Clerk/Treasurer, PO Box 689, Ashton, ID 83420.

BASIC FINANCIAL STATEMENTS

CITY OF ASHTON
Statement of Net Position
September 30, 2024

	Governmental Activities	Business-type Activities	Total	Component Unit
ASSETS				
Cash on hand and on deposit	$ 333,283	$ 1,736,967	$ 2,070,250	$ 127,955
Cash, restricted for bond	-	145,086	145,086	-
Taxes receivable	14,641	-	14,641	35,513
Other receivables	132,342	282,521	414,863	-
Prepaid insurance	15,979	15,003	30,982	-
Capital assets, net of depreciation	1,643,423	11,708,461	13,351,884	-
Capital assets, non-depreciable	83,092	671,459	754,551	-
Total assets	$ 2,222,760	$ 14,559,497	$ 16,782,257	$ 163,468
DEFERRED OUTFLOWS OF RESOURCES				
Pension deferred outflows	$ 52,806	$ 24,369	$ 77,175	$ -
Total deferred outflows of resources	52,806	24,369	77,175	-
TOTAL ASSETS AND DEFERRED OUTFLOWS	$ 2,275,566	$ 14,583,866	$ 16,859,432	$ 163,468
LIABILITIES				
Accounts payable	$ 8,936	$ 363,915	$ 372,851	$ 76,152
Wages/benefits payable	13,799	5,148	18,947	-
Customer deposits	525	30,911	31,436	-
Accrued interest	-	45,596	45,596	-
Net pension liability	224,285	105,545	329,830	-
Long-term liabilities:	-	-	-	-
Portion due or payable within one year:	-	-	-	-
Bonds payable	-	151,843	151,843	-
Current portion long term debt	-	87,898	87,898	-
Portion due or payable after one year:	-	-	-	-
Compensated absences payable	33,628	16,468	50,096	-
Long-term debt	47,958	5,456,169	5,504,127	-
Bonds payable	-	749,519	749,519	-
Total liabilities	$ 329,131	$ 7,013,012	$ 7,342,143	$ 76,152
DEFERRED INFLOWS OF RESOURCES				
Pension deferred inflows	$ -	$ -	$ -	$ -
Total deferred inflows of resources	-	-	-	-
NET POSITION				
Invested in capital assets, net of related debt	$ 1,726,515	$ 5,934,491	$ 7,661,006	$ -
Restricted for:				
Debt services	47,958	145,086	193,044	-
Street and road	7,665	-	7,665	-
Other purposes	75,275	-	75,275	-
Unrestricted	89,022	1,491,277	1,580,299	87,316
Total net position	$ 1,946,435	$ 7,570,854	$ 9,517,289	$ 87,316

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

CITY OF ASHTON
Statement of Activities
September 30, 2024

Functions / Programs:	Expenses	Program Revenues: Fees, Fines, and Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Governmental Activities	Net (Expense) Revenue and Changes in Net Assets: Business-Type Activities	Net (Expense) Revenue and Changes in Net Assets: Total	Component Unit
Governmental activities								
General government	$ 198,003	$ 42,182	$ -	$ -	$ (155,821)		$ (155,821)	
Recreation	136,939	43,347	-	3,580	(90,012)		(90,012)	
Planning and building	20,216	1,350	-	-	(18,866)		(18,866)	
Public safety	458,027	14,934	-	-	(443,093)		(443,093)	
Public works	208,801	-	98,058	14,000	(96,743)		(96,743)	
Culture	3,503	-	-	-	(3,503)		(3,503)	
Total governmental activities	$ 1,025,489	$ 101,813	$ 98,058	$ 17,580	$ (808,038)		$ (808,038)	
Business-type activities:								
Water and sanitation	$ 528,664	$ 413,967	$ -	$ -		$ (114,697)	$ (114,697)	
Interest on long term debt	142,874	-	-	-		(142,874)	(142,874)	
Sanitation	287,928	297,113	-	-		9,185	9,185	
Sewer utility	570,405	656,992	-	1,080,278		1,166,865	1,166,865	
Interest on long term debt	-	-	-	-		-	-	
Total business-type activities	$ 1,529,871	$ 1,368,072	$ -	$ 1,080,278		$ 918,479	$ 918,479	
Total City of Ashton	$ 2,555,360	$ 1,469,885	$ 98,058	$ 1,097,858	$ (808,038)	$ 918,479	$ 110,441	
Component unit	$ 11,080	$ -	$ -	$ -				$ (11,080)
General revenue:								
Taxes:								
Property taxes, levied for general programs					$ 266,390	$ -	$ 266,390	$ 64,880
Property taxes, levied for street and road					145,526	-	145,526	-
Property taxes, levied for capital improvements					12,657	-	12,657	-
Property taxes, levied for community development					25,520	-	25,520	-
Sales tax					-	-	-	-
State revenue sharing					108,229	-	108,229	-
State liquor allocation					16,669	-	16,669	-
Earnings on investments					54,981	29,696	84,677	1,037
Miscellaneous					323,963	10,751	334,714	-
Net pension revenue(expense) adjustments					(6,608)	(7,104)	(13,712)	-
Transfers					15,000	(15,000)	-	-
Total general revenue and transfers					$ 962,327	$ 18,343	$ 980,670	$ 65,917
Change in net assets					$ 154,289	$ 936,822	$ 1,091,111	$ 54,837
Net assets--beginning					1,792,146	6,634,032	8,426,178	35,091
Prior period adjustment					-	-	-	-
Net assets--ending					$ 1,946,435	$ 7,570,854	$ 9,517,289	$ 89,928

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

CITY OF ASHTON
Balance Sheet
Governmental Funds
September 30, 2024

	General Fund	Street and Road Fund	Park and Recreation Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash on hand and on deposit	$ 353,992	$ (97,436)	$ 1,889	$ 74,838	$ 333,283
Taxes receivable	8,790	4,533	881	437	14,641
Other receivables	30,760	101,582	-	-	132,342
Interfund receivables	-	-	-	-	-
Prepaid insurance	9,365	3,307	3,307	-	15,979
Total assets	$ 402,907	$ 11,986	$ 6,077	$ 75,275	$ 496,245
LIABILITIES AND FUND BALANCE					
LIABILITIES					
Accounts payable	$ 7,313	$ 1,316	$ 307	$ -	$ 8,936
Interfund payable	-	-	-	-	-
Salaries payable	10,150	3,005	644	-	13,799
Customer deposits	-	-	525	-	525
Deferred revenues	5,643	2,909	566	280	9,398
Total liabilities	$ 23,106	$ 7,230	$ 2,042	$ 280	$ 32,658
FUND BALANCE					
Nonspendable	$ -	$ -	$ -	$ -	$ -
Restricted	-	4,756	4,035	74,995	83,786
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	379,801	-	-	-	379,801
Total fund balance	$ 379,801	$ 4,756	$ 4,035	$ 74,995	$ 463,587
Total liabilities and fund balance	$ 402,907	$ 11,986	$ 6,077	$ 75,275	$ 496,245

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

CITY OF ASHTON
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
September 30, 2024

Total fund balance -- governmental funds		$ 463,587
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:		
Land	83,092	
Other capital assets	3,895,386	
Accumulated depreciation	(2,251,963)	
Total capital assets		1,726,515
Property taxes received that are not available to pay for current period expenditures are deferred in the funds.		9,398
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Lease payable	(47,958)	
Compensated absences payable	(33,628)	(81,586)
GASB 68 requires the accrual of net pension assets and liabilities and the deferred inflows and outflows of resources related thereto.		
Net pension liability	(224,285)	
Pension related deferred inflows	-	
Pension related deferred outflows	52,806	(171,479)
Total net position for governmental activities		$ 1,946,435

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

CITY OF ASHTON
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
September 30, 2024

	General Fund	Street and Road Fund	Park and Recreation Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Local Sources:					
County tax collections	$ 267,118	$ 145,897	$ 25,597	$ 12,688	$ 451,300
Court fines and fees	14,934	-	-	-	14,934
Building permits	40,592	-	-	-	40,592
Beer and liquor licenses	1,425	-	-	-	1,425
Interest earnings	38,567	13,087	-	3,327	54,981
Other local revenues	364,710	3,000	19,495	24,552	411,757
State Sources:					
State revenue sharing	108,229	-	-	-	108,229
Grants and entitlements	-	14,000	3,580	-	17,580
Liquor apportionment	16,669	-	-	-	16,669
Highway users revenue	-	98,058	-	-	98,058
Sales taxes	-	-	-	-	-
Total revenue	$ 852,244	$ 274,042	$ 48,672	$ 40,567	$ 1,215,525
EXPENDITURES					
Administration	$ 168,350	$ -	$ -	$ -	$ 168,350
Culture	-	-	-	-	-
Recreation	-	-	95,328	-	95,328
Planning and building	20,216	-	-	-	20,216
Public safety	386,357	-	-	-	386,357
Public works	-	200,936	-	-	200,936
Capital outlay	36,729	94,597	191	-	131,517
Total expenditures	$ 611,652	$ 295,533	$ 95,519	$ -	$ 1,002,704
Excess (deficiency) revenues over expenditures	$ 240,592	$ (21,491)	$ (46,847)	$ 40,567	$ 212,821
OTHER FINANCING SOURCES AND USES:					
Transfers in (out)	(50,000)	10,000	55,000	-	15,000
Total other financing sources and uses	$ (50,000)	$ 10,000	$ 55,000	$ -	$ 15,000
Net change in fund balance	$ 190,592	$ (11,491)	$ 8,153	$ 40,567	$ 227,821
FUND BALANCE					
Beginning fund balance	189,209	16,247	(4,118)	34,428	235,766
Ending fund balance	$ 379,801	$ 4,756	$ 4,035	$ 74,995	$ 463,587

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

CITY OF ASHTON
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities
September 30, 2024

Net change in fund balances - total governmental funds		$ 227,821
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the asset. This is the excess of capital outlays over (under) depreciation expense in the current period.		
Capitalized assets	(35,744)	
Depreciation expense	(42,742)	(78,486)
Tax revenues are deferred and not recognized in the funds until they are available to pay for current period expenditures. In the Statement of Activities, however, they are recognized when levied. This is the difference between the amount deferred at the beginning and end of the current period.		
Deferred revenue - 2024	9,398	
Deferred revenue - 2023	(10,605)	(1,207)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Lease payable	9,058	
Compensated absences - 2024	(33,628)	
Compensated absences - 2023	37,339	12,769
GASB 68 requires the calculation of net pension revenue (expense), and the deferral of current contributions		
Current contributions	8,213	
Net pension revenue (expense)	(14,821)	(6,608)
Change in net position of governmental activities		$ 154,289

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

CITY OF ASHTON
Statement of Net Position
Proprietary Fund Types
September 30, 2024

ASSETS	Water	Sanitation	Sewer Revenue	Total
Cash	$ 1,001,190	$ 284,486	$ 451,291	$ 1,736,967
Other receivables	35,459	27,271	234,794	297,524
Cash, restricted for bond	70,528	-	74,558	145,086
Capital assets, net of accumulated depreciation	3,056,255	-	8,652,206	11,708,461
Capital assets, non-depreciable	-	-	671,459	671,459
Total assets	$ 4,163,432	$ 311,757	$ 10,084,308	$ 14,559,497
DEFERRED OUTFLOWS OF RESOURCES				
Pension deferred outflows	$ 8,543	$ 7,283	$ 8,543	$ 24,369
Total deferred outflows of resources	8,543	7,283	8,543	24,369
TOTAL ASSETS AND DEFERRED OUTFLOWS	$ 4,171,975	$ 319,040	$ 10,092,851	$ 14,583,866
LIABILITIES				
Current Liabilities				
Accounts payable	$ 167,383	$ 20,055	$ 176,477	$ 363,915
Salaries payable	2,121	891	2,136	5,148
Customer deposits	30,911	-	-	30,911
Accrued interest	-	-	45,596	45,596
Net pension liability	36,281	32,983	36,281	105,545
Current portion long-term debt	87,898	-	-	87,898
Current bonds payable	-	-	151,843	151,843
Total current liabilities	$ 324,594	$ 53,929	$ 412,333	$ 790,856
Long term Liabilities				
Compensated absences payable	$ 8,234	$ -	$ 8,234	$ 16,468
Long-term debt	1,670,070	-	3,786,099	5,456,169
Bonds payable	-	-	749,519	749,519
Total long term liabilities	$ 1,678,304	$ -	$ 4,543,852	$ 6,222,156
Total liabilities	$ 2,002,898	$ 53,929	$ 4,956,185	$ 7,013,012
DEFERRED INFLOWS OF RESOURCES				
Pension deferred inflows	$ -	$ -	$ -	$ -
Total deferred inflows of resources	-	-	-	$ -
NET POSITION				
Invested in capital assets, net of related debt	$ 1,298,287	$ -	$ 4,636,204	$ 5,934,491
Restricted	67,590	-	71,344	138,934
Unrestricted	803,200	265,111	429,118	1,497,429
Total net position	$ 2,169,077	$ 265,111	$ 5,136,666	$ 7,570,854

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

CITY OF ASHTON
Statement of Revenues, Expenses, and Changes
In Fund Net Position - Proprietary Fund Types
September 30, 2024

	Water	Sanitation	Sewer Revenue	Total
OPERATING REVENUES				
Service revenue fees	$ 413,967	$ 297,113	$ 656,992	$ 1,368,072
Other revenue	375	-	10,376	10,751
Total operating revenue	$ 414,342	$ 297,113	$ 667,368	$ 1,378,823
OPERATING EXPENSES				
Salaries and benefits	$ 114,635	$ 50,396	$ 109,655	$ 274,686
Services and supplies	220,401	237,532	56,446	514,379
Maintenance and repairs	27,476	-	32,415	59,891
General and administrative	31,156	-	24,731	55,887
Depreciation	134,996	-	347,158	482,154
Total operating expenses	$ 528,664	$ 287,928	$ 570,405	$ 1,386,997
Operating income	$ (114,322)	$ 9,185	$ 96,963	$ (8,174)
NONOPERATING REVENUES (EXPENSES)				
Capital grant revenue	$ -	$ -	$ 1,080,278	$ 1,080,278
Net pension revenue/(expense)	3,324	(11,363)	935	(7,104)
Interest earnings	17,784	6,387	5,525	29,696
Interest expense	-	-	(142,874)	(142,874)
Total nonoperating revenues (expenses)	$ 21,108	$ (4,976)	$ 943,864	$ 959,996
Income (loss) before transfers	$ (93,214)	$ 4,209	$ 1,040,827	$ 951,822
Operating transfers	(7,500)	-	(7,500)	(15,000)
Change in net position	$ (100,714)	$ 4,209	$ 1,033,327	$ 936,822
Net position, beginning	2,269,791	260,902	4,103,339	6,634,032
Net position, ending	$ 2,169,077	$ 265,111	$ 5,136,666	$ 7,570,854

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

CITY OF ASHTON
Statement of Cash Flows
Proprietary Funds
September 30, 2024

	Water	Sanitation	Sewer Revenue	Combined Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	$ 414,463	$ 296,277	$ 500,428	$ 1,211,168
Cash paid to suppliers and employees	(227,321)	(287,499)	(65,605)	(580,425)
Net cash provided (used) by operating activities	$ 187,142	$ 8,778	$ 434,823	$ 630,743
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfer from (to) general fund	$ (7,500)	$ -	$ (7,500)	$ (15,000)
(Increase) decrease in grants receivable	-	-	-	-
Net cash provided by noncapital financing activities	$ (7,500)	$ -	$ (7,500)	$ (15,000)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from grants	$ -	$ -	$ 1,080,278	$ 1,080,278
Proceeds from DEQ loan	-	-	-	-
Interest paid on long-term debt	-	-	(142,874)	(142,874)
Principal paid on long-term debt	(87,900)	-	(114,909)	(202,809)
Construction of capital assets	(204,854)	-	(1,074,468)	(1,279,322)
Net cash provided(used) by capital and related financing activities	$ (292,754)	$ -	$ (251,973)	$ (544,727)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	$ 17,784	$ 6,386	$ 5,525	$ 29,695
Net cash provided by investing activities	$ 17,784	$ 6,386	$ 5,525	$ 29,695
Net increase (decrease) in cash and cash equivalents	$ (95,328)	$ 15,164	$ 180,875	$ 100,711
Cash and cash equivalents-beginning of year	1,167,046	269,322	344,974	1,781,342
Prior period adjustment	-	-	-	-
Cash and cash equivalents-end of year	$ 1,071,718	$ 284,486	$ 525,849	$ 1,882,053
Reconciliation of operating income to net cash provided by operating activities				
Operating income	$ (114,322)	$ 9,185	$ 96,963	$ (8,174)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	134,996	-	347,158	482,154
(Increase) decrease in consumer accounts receivable	121	(836)	(166,940)	(167,655)
Increase (decrease) in compensated absences	(992)	-	122	(870)
Increase (decrease) in customer deposits	1,704	-	-	1,704
(Increase) decrease in prepaid assets	-	-	-	-
Increase (decrease) in accounts payable	165,635	429	157,520	323,584
Net cash provided by operating activities	$ 187,142	$ 8,778	$ 434,823	$ 630,743

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

The City of Ashton consists of patrons from Fremont County.

This report includes all of the funds/accounts of the City. It includes all activities considered to be part of the City under GASB Statement #2100, *Defining the Governmental Reporting Entity*. Activities include areas in which the City can assert its authority either directly or indirectly by financial means. The City has an urban renewal agency within its legal jurisdiction. The agencies follow Idaho Code in their operations. The agencies boards, which must include one of the members of the City Council, are approved by the City Council. The agencies adopt their own budgets based on revenues prescribed by Idaho Code. The City does not have any authority over the urban renewal agency either directly or indirectly.

The City is organized and operates under the provisions of the Idaho Constitution and the accounting policies and practices of the City conform to generally accepted accounting principles as applied to governments. The city's reporting entity applies all relevant *Governmental Accounting Standards Boards (GASB)* pronouncements. Proprietary funds and similar component units apply *Financial Accounting Standards Board's (FASB)* pronouncements and *Accounting Principal Board (APB)* opinions issued on or after November 30, 1989.

In conformity with generally accepted accounting principles, the basic financial statements of Ashton Urban Renewal Agency have been included in the financial reporting entity as a discretely presented component unit. It is presented as a separate column within the basic financial statements. The City appoints the governing body of the Agency. The Agency is comprised of volunteers who devote their time to improving and enhancing the quality of life within the City of Ashton.

For financial reporting purposes on the government wide financial statements, the City has capitalized improvement projects that the Agency has paid for and donated to the City for public use.

A copy of the Aston Urban Renewal Agency audit may be obtained at the City office.

B. BASIS OF PRESENTATION, BASIS OF ACCOUNTING

Basis of Presentation

Government-wide Statements: The statement of net assets and the statement of activities display information about the primary government, the City of Ashton. These statements include the financial activities of the overall government and eliminations have been made to minimize the double-counting of internal balances and transfers. These statements distinguish between the governmental and business-type activities of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of

NOTE 1 B. BASIS OF PRESENTATION, BASIS OF ACCOUNTING, continued

Basis of Presentation, continued

activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including taxes are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the City's funds. Separate statements for each fund category—governmental and proprietary—are presented. The City has no fiduciary funds.

The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities. The statement of cash flows defines cash and cash equivalents as cash or short-term investments which are highly liquid.

The City reports the following major governmental funds:

General Fund: The fund is established to account for resources devoted to financing the general services that the City performs. General tax revenues and other sources of revenue used to finance the fundamental operations of the City are included in this fund. This fund is charged with all costs of operating the City for which a separate fund has not been established.

Street and Road Fund: The fund is established to account for resources devoted to maintenance and repair of the City's street system and additions to related infrastructure. Highway user money from the State of Idaho and property tax revenue are included in this fund.

Park and Recreation Fund: The fund is established to account for resources devoted to maintenance and repairs of the City's parks. Tax revenues and other sources of revenue are used to finance the operations of the park fund.

The City reports the following major enterprise funds:

Sewer Fund: The fund is established to account for user fees charged to City residents for sewer services.

Water Fund: The fund is established to account for user fees charged to City residents for water services.

Sanitation Fund: The fund is established to account for user fees charged to City residents for sanitation services.

NOTE 1 B. BASIS OF PRESENTATION, BASIS OF ACCOUNTING, continued

Measurement Focus, Basis of Accounting, continued

The City does not have any agency funds or internal service funds.

Measurement Focus, Basis of Accounting

Government-wide and Proprietary Fund Financial Statements. The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the City gives (or receives) value without directly receiving(or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Property taxes, sales taxes, franchise taxes, licenses, and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the City funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the City's policy to first apply cost-reimbursement grant resources to such programs followed by general revenues.

All governmental and business-type activities and enterprise funds of the City follow FASB Statements and Interpretations issued on or after November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

C. DEPOSITS AND INVESTMENTS

The City pools cash of all fund types into a common bank account. The accounting records of each fund reflect the equity in pooled cash.

D. CASH AND CASH EQUIVALENTS

The City considers cash and cash equivalents in all funds to be cash on hand and demand deposits. Included in demand deposits are certificates of deposit which are accessible by the City at any time and monies invested with the State at the Local Government Investment Pool. This cash earns interest at a variable rate and is available upon demand.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. PROPERTY TAXES

In accordance with Idaho law, ad valorem property taxes are levied in September for each calendar year. Levies are made on or before the 2nd Monday of September. One-half of the property taxes are due on or before the 20th of December. The remaining one-half is due on or before June 20th of the following year. A lien is filed on real property three years from the date of delinquency.

F. CAPITAL ASSETS AND DEPRECIATION

Capital assets purchased or acquired with an original cost of $3,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. The City of Ashton is considered a Phase III government; therefore they are not required to retroactively state general infrastructure assets. Depreciation on all assets (exclusive of land) is provided on the straight-line (SL) method over the following estimated useful lives:

Computers and related equipment (SL method)	5 years
Equipment, furniture and fixtures (SL method)	7-25 years
Buildings (SL method)	30-99 years
Infrastructure	30-99 years

G. NET ASSETS

Net assets are the difference between assets and liabilities. Net assets invested in capital assets, net of related debt are capital assets, less accumulated depreciation and any outstanding debt related to the acquisition, construction or improvements of those assets. Net assets are reported as restricted when there are legal limitations that are imposed on their use by the City, or external restrictions by other governments, creditors or grantors. When expenses are incurred for purposes for which both restricted and unrestricted net assets are available, restricted resources are applied first.

H. FUND BALANCE RESERVES

The five categories of fund balance are nonspendable, restricted, committed, assigned, and unassigned. For the year ended September 30, 2024, the City had fund balances which were restricted and unassigned of $83,786 and $379,801 respectively. Restricted funds are those which are constrained to being used for a specific purpose by external parties, constitutional provisions, or enabling legislation. Unassigned funds are those which are available for any purpose.

I. RISK MANAGEMENT

The City is exposed to a considerable number or risks of loss including but not limited to a) damage to and loss of property and contents, b) employee torts, c) professional liabilities, i.e. errors and omissions, d) environmental damage, e) workers compensation, i.e. employee injuries and f) medical insurance costs of its employees.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

RISK MANAGEMENT, continued

Commercial insurance policies transferring the risk of loss, but for a relatively small deductible amount, are purchased for property and content damage, employee's torts and professional liabilities. Settlement claims resulting form these risks have not exceeded the insurance deductible provided for in the last three years.

J. ESTIMATES

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

K. PREPAID ITEMS

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The City had the following prepaid items at the end of the fiscal year.

Prepaid Insurance	$27,897
Prepaid Interest	3,085
Total Prepaid Expenses	$30,982

L. RECEIVABLES AND PAYABLES

All trade and property tax receivables are shown net of an allowance for uncollectible accounts receivable. Because property taxes attach as an enforceable lien after three years of delinquency, the City feels that all receivables are collectible.

M. COMPENSATED ABSENCES

The liability for compensated absences reported in the government-wide and proprietary fund statements consists of unpaid, accumulated vacation and sick leave balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included.

N. 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 DEPOSITS AND INVESTMENTS

The following is a schedule illustrating the cash balances held by the City of Ashton that are insured, collateralized, or uninsured as of September 30, 2024:

Depository Institution	Book Balance	Bank Balance	FDIC Insured	Collateralized	Uninsured & Uncollateralized
Bank of Idaho – Checking	$ 258,844	$ 272,697	$ 250,000	$ -	$ 22,697
Bank of Idaho – Drug money	4,524	4,524	-	-	4,524
Bank of Idaho – Sewer Reserve	74,554	74,554	-	-	74,554
Bank of Idaho–Money Market	597,975	597,975	-	-	597,975
Petty Cash	600	-	-	-	-
Xpress Deposit	26,692	26,692	-	-	26,692
State Investment Pool	1,252,147	1,252,147	-	-	1,252,147
Total	$ 2,215,336	$ 2,228,589	$ 250,000	$ -	$ 1,978,589

Deposits with financial institutions include bank demand deposits as authorized by Idaho statutes. At year end, the carrying amounts of the City's deposits were $935,897 and the bank balances were $949,750 at Bank of Idaho and $1,252,147 at the Local Government Investment Pool. Of the bank balances, $250,000 was covered by federal depository insurance or collateralized. Cash held at the Local Government Investment Pool is uninsured and uncollateralized.

Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. As of September 30, 2024, $1,978,589 of the City's bank balance of $2,228,589 was exposed to custodial credit risk as illustrated in the above table.

Credit risk: Per the Local Government Investment Pool management, the investment pool itself does not have a credit rating.

The City does not hold any investments at September 30, 2024.

NOTE 3 RECEIVABLES

Receivables at year end consist of the following:

	General Fund	Street and Road Fund	Park and Recreation Fund	Other Governmental Funds	Enterprise Funds		
					Water	Sewer	Sanitation
Local Sources							
Property Taxes	$ 8,790	$ 4,533	$ 881	$ 437	$ -	$ -	$ -
Other Local Sources	-	90,152	-		-	164,857	-
Consumer Fees	-	-	-	-	35,459	69,937	27,271
Total Local	$ 8,790	$ 94,685	$ 881	$ 437	$ 35,459	$234,794	$ 27,271
State Sources							
Other State Revenue	$ 30,760	$ 11,430	$ -				
Total State	$ 30,760	$ 11,430	$ -				

NOTE 4 INTERFUND BALANCES

Interfund Receivable/Payables

During the course of its operations, the City had numerous transactions between funds to finance operations, provide services, and construct assets and service debt. As of September 30, 2024 there were no interfund receivables/payables:

Transfers

The following interfund operating transfers were made during the fiscal year to cover expenditures from operations:

Major Funds	Transfers To	Transfers From
General	$ 15,000	$ 65,000
Park & Recreation Fund	55,000	-
Water Fund	-	7,500
Sewer Fund	-	7,500
Capital Improvement Fund	-	-
Street & Road Fund	10,000	-

NOTE 5 CAPITAL ASSETS

	09/30/2023 BALANCE	ADDITIONS	DELETIONS	09/30/2024 BALANCE
Governmental Funds				
Work In Progress	-	9,035	-	9,035
Land	83,092	-	23,078	60,014
Buildings	733,590	-	104,956	628,634
Machinery & Equipment	1,027,464	109,619	8,000	1,129,083
Improvements	2,174,786	-	23,074	2,151,712
Subtotal	4,018,933	118,654	159,109	3,978,478
Less Accumulated Depreciation				
Buildings	678,101	8,726	104,956	581,871
Machinery & Equipment	846,368	52,364	8,000	890,732
Improvements	689,463	93,309	3,411	779,361
Total Accumulated Depreciation	2,213,932	154,398	116,367	2,251,963
Net Governmental Capital Assets	1,805,001	(35,744)	42,742	1,726,514

Capital asset activity in the proprietary funds for the year ended September 30, 2024 was as follows:

Proprietary Funds				
Work in progress	97,887	1,159,854	-	1,257,741
Land	664,121	-	-	664,121
Machinery & Equipment	378,096	100,438	-	478,534
Improvements / Utility Property	14,580,081	16,495	-	14,596,576
Subtotal	15,720,185	1,276,786	-	16,996,971
Less Accumulated Depreciation				
Machinery & Equipment	187,488	57,834	-	245,322
Improvements / Utility Property	3,947,410	424,320	-	4,371,730
Total Accumulated Depreciation	4,134,898	482,154	-	4,617,052
Net Proprietary Capital Assets	11,585,288	794,632	-	12,379,920

Depreciation expense was charged to functions as follows:

General government	$ 154,398
Water	134,996
Sewer	347,158
Total depreciation expense	$ 636,552

NOTE 6 COMMITMENTS AND CONTINGENT LIABILITIES

Contingent Liabilities

The City participates in a number of federally assisted grant programs. These programs may be subject to compliance audits by the grantors or their representatives. Such audits of these programs for the year reported herein have not been conducted or completed and accepted. Accordingly, the City's accepted compliance with applicable grant requirements may be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agency or agencies cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

No material contingent liabilities were identified by management as of September 30th, 2024.

NOTE 7 RELATED PARTY TRANSACTIONS

The City of Ashton has not been involved in any related party transactions that would violate Idaho Code or applicable federal regulations.

NOTE 8 SUBSEQUENT EVENTS

Subsequent events were evaluated through the date of the report, February 12, 2025. No events have taken place that requires disclosure.

NOTE 9 LONG-TERM OBLIGATIONS

Enterprise Funds—
The City issued bonds in 2009 through USDA Rural Development in the amount of $1,200,000 to finance the waste water system upgrade. Annual payments are $72,600. Interest is charged at the annual rate of 4.375% over the next 30 years.

The City entered into a loan agreement with the Department of Environmental Quality in the amount of $2,636,952 with no interest to be repaid in semi-annual installments over 30 years. Semi-annual payments of $43,949 are due on July 24th and January 24th.

The City has entered into a loan agreement with the Department of Environmental Quality in the amount of $4,267,636 at an interest rate of $1.75% to be repaid in semi-annual installments over 30 years. Semi-annual payments of $92,434 are due January 17th and July 17th.

NOTE 9 LONG-TERM OBLIGATIONS, continued

Enterprise Fund, continued—

The following changes occurred in the City's general long-term debt obligations:

	10/01/2023	Additions	Deletions	09/30/2024
ENTERPRISE FUNDS				
Rural Development Sewer Bond	$ 822,730	$ -	$ 36,605	$ 786,125
DEQ Loan DW1103	1,845,866	-	87,898	1,757,968
DEQ Loan WW1701	3,978,941	-	77,605	3,901,336
Compensated Absences	16,136	332	-	16,468
Total Enterprise Funds	$6,663,673	$ 332	$ 202,108	$6,461,897
GOVERNMENTAL FUNDS				
Lease Payable	$ 57,016	$ -	$ 9,058	$ 47,958
Compensated Absences	37,339	-	3,711	33,628
Total Governmental Funds	$ 94,355	$ -	$ 12,769	$ 94,355

The following schedule recaps the maturities of each obligation for the subsequent five years until termination of the obligations:

	Total	2025	2026	2027	2028	2029	2030-2051
ENTERPRISE FUNDS							
92-08 Series Bond	786,125	38,207	39,879	41,623	43,444	45,345	590,396
DEQ Loan DW1103	1,757,968	87,898	87,898	87,898	87,898	87,898	1,318,476
DEQ Loan WW1701	3,901,336	116,595	118,636	120,712	122,824	123,518	3,299,050
Total	$ 6,445,429	$ 242,701	$246,413	$ 250,234	$ 254,167	$ 254 860	$5,197,055

Interest in the amount of $142,874 was expensed in the proprietary fund financial statements.

Water Bond Reserve Requirement:
The bond covenants require the city to maintain bond reserve fund at a rate of $1,565 per year until a total of $15,650 has been accumulated. This balance is required to be maintained until the debt has been retired. The reserve fund and the moneys therein are irrevocably pledged to the payment of the bonds, and such funds may be applied upon the final maturity of the principal and interest on the bonds. The amount that is restricted at September 30, 2024 is $70,528; therefore the City of Ashton has an excess amount in their bond reserve account of $54,878.

Sewer Bond Reserve Requirement:
The bond covenants require the city to maintain bond reserve fund at a rate of $8,790, or one-tenth of the annual payment, per year until the debt is retired. The reserve fund and the moneys therein are irrevocably pledged to the payment of the bonds, and such funds may be applied upon the final maturity of the principal and interest on the bonds. The amount that is restricted at September 30, 2024 is $74,558.

NOTE 10 LITIGATION

The City has not been involved in any litigation that is expected to have a material effect on the financial statements.

NOTE 11 DEFICIT FUND BALANCE

As of September 30, 2024 no funds had deficit fund balances.

NOTE 12 PENSION PLAN

Plan Description

The City of Ashton 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. Amounts in parenthesis represent police/firefighters.

NOTE 12 PENSION PLAN, 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 and earnings from investments. 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) if current rates are actuarially determined to be inadequate or in excess to accumulate sufficient assets to pay benefits when due.

The contribution rates for employees are set by stature at 60% (74%) of the employer rate. As of June 30, 2024 it was 6.71% (9.83%). The employer contribution rate is set by the Retirement Board and was 11.14% (13.26%) of covered compensation. The City of Ashton contributions were $45,406 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 of Ashton 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 of Ashton's proportion of the net pension liability was based on the City of Ashton'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, 2023, the City of Ashton's proportion was 0.00881746 percent.

For the year ended September 30, 2024, the City of Ashton recognized pension expense (revenue) of $6,607 at September 30, 2024, the City of Ashton 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	$ 52,512	$ -
Changes in assumptions or other inputs	13,066	-
Net difference between projected and actual earnings on pension plan investments	5,987	-
Contributions subsequent to the measurement date	8,213	-
TOTAL	$ 79,778	$ -

NOTE 12 PENSION PLAN, continued

$8,213 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, 2024.

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, 2022 the beginning of the measurement period ended June 30, 2024 is 4.8 years.

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 September 30, 2024:	
2025	$ 16,279
2026	$ 61,498
2027	$(10,605)
2028	$ (7,580)

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	3.05%
Salary inflation	3.05%
Investment rate of return	6.35%, net of investment expenses
Cost-of-living adjustments	1.00%

Contributing Members, Service Retirement Members, and Beneficiaries
General Employees and All Beneficiaries – Males Pub-2010 General Tables, increased 11%
General Employees and All Beneficiaries – Females Pub-2010 General Tables, increased 21%
Teachers – Males Pub-2010 General Tables, increased 12%
Teachers – Females Pub-2010 General Tables, increased 21%
Fire and Police – Males Pub-2010 General Tables, increased 21%
Fire and Police – Females Pub-2010 General Tables, increased 26%
Disabled Members – Males Pub-2010 General Tables, increased 38%
Disabled Members – Females Pub-2010 General Tables, increased 36%

NOTE 12 PENSION PLAN, continued

An experience study was performed for the period July 1, 2015 through June 30, 2020 which reviewed all economic and demographic assumptions including mortality. The Total Pension Liability as of June 30, 2024 is based on the results of an actuarial valuation date of July 1, 2024.

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 2024.

	2024	
Asset Class	DB Plans	Sick Leave
Fixed Income	30.0%	50.0%
US/Global Equity	55.0%	39.3%
International Equity	15.0%	10.7%
Cash	0.0%	0.00%
Total	100%	100%

NOTE 12 PENSION PLAN, continued

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 what the Employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.35 percent) or 1-percentage-point higher (7.35 percent) than the current rate:

	1% Decrease (5.35%)	Current Discount Rate (6.35%)	1% Increase (7.35%)
City of Ashton's proportionate share of the net pension liability (asset)	626,780	329,830	87,298

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.

NOTE 13 EXCESS OF ACTUAL EXPENDITURES OVER BUDGET

No funds had excess expenditures over budget for the year ended September 30, 2024

NOTE 14 ASHTON URBAN RENEWAL

The Ashton Urban Renewal Agency (Agency) has been presented in the government-wide financial statements as a discretely presented component unit of the City of Ashton due to its operational and/or financial relationship with the City. The agency is organized and operates under the Idaho Urban Renewal Law of 1965 (Chapter 20, Title 50, Idaho Code).

A. The accounting policies and practices of the Agency conform to generally accepted accounting principles applied to governments.

B. Cash and investments for all funds consist of the following at year end:

Cash – demand deposit (net of overdrafts)	$ 127,955

Deposits with financial institutions include bank demand deposits as authorized by Idaho statutes. The carrying amounts and the bank balance were $95,869 at year end. Of the bank balance of $95,869, all of it was covered by federal depository insurance. No amount was exposed to custodial credit risk

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

C. Receivables at year end consist of the following:

Property Taxes	$	35,513

D. Payables at year end consist of the following:

Accounts Payable	$	76,152

REQUIRED SUPPLEMENTAL INFORMATION

CITY OF ASHTON
Budget to Actual Comparison Schedule
General Fund
September 30, 2024

REVENUES	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Local Sources:				
County tax collections	$ 285,727	$ 285,727	$ 267,118	$ (18,609)
Court fines and fees	7,250	7,250	14,934	7,684
Building permits	5,300	5,300	40,592	35,292
Beer and liquor licenses	1,000	1,000	1,425	425
Interest earnings	2,000	2,000	38,567	36,567
Other local revenues	2,923,780	2,923,780	3,216,598	292,818
State Sources:				
Other and miscellaneous	59,288	59,288	108,229	48,941
Grants and entitlements	-	-	-	-
Liquor apportionment	21,600	21,600	16,669	(4,931)
Sales taxes	59,287	59,287	-	(59,287)
Total revenue	$ 3,365,232	$ 3,365,232	$ 3,704,132	$ 338,900
EXPENDITURES				
Administration	$ 155,366	$ 155,366	$ 152,038	$ 3,328
Planning and building	17,467	17,467	20,216	(2,749)
Public safety	425,232	425,232	366,424	58,808
Capital outlay	35,000	35,000	36,729	(1,729)
Total expenditures	$ 633,065	$ 633,065	$ 575,407	$ 57,658
Excess revenues over expenditures	$ 2,732,167	$ 2,732,167	$ 3,128,725	$ 396,558
OTHER FINANCING SOURCES:				
Transfers in (out)	$ 5,961	$ 5,961	$ (50,000)	$ (55,961)
Total other financing sources and uses	$ 5,961	$ 5,961	$ (50,000)	$ (55,961)
Change in net position	$ 2,738,128	$ 2,738,128	$ 3,078,725	$ 340,597
FUND BALANCE				
Beginning fund balance	6,869,798	6,869,798	6,869,798	-
Ending fund balance	$ 9,607,926	$ 9,607,926	$ 9,948,523	$ 340,597

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

CITY OF ASHTON
Budget to Actual Comparison Schedule
Street and Road Fund
September 30, 2024

REVENUES	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Local Sources:				
County tax collections	$ 157,326	$ 157,326	$ 145,897	$ (11,429)
Other local revenues	3,151,556	3,151,556	3,460,177	308,621
Grants & entitlements	-	-	-	-
State Sources:				
Highway users revenue	56,350	56,350	98,058	41,708
Total revenue	$ 3,365,232	$ 3,365,232	$ 3,704,132	$ 338,900
EXPENDITURES				
Public safety	$ 3,345,893	$ 3,345,893	$ 2,428,571	$ 917,322
Capital outlay	20,300	20,300	94,597	(74,297)
Total expenditures	$ 3,366,193	$ 3,366,193	$ 2,523,168	$ 843,025
Excess revenues over expenditures	$ (961)	$ (961)	$ 1,180,964	$ 1,181,925
OTHER FINANCING SOURCES:				
Transfers in (out)	$ -	$ -	$ -	$ -
Total other financing sources and uses	$ -	$ -	$ -	$ -
Change in net position	$ (961)	$ (961)	$ 1,180,964	$ 1,181,925
FUND BALANCE				
Beginning fund balance	6,869,798	6,869,798	6,869,798	-
Ending fund balance	$ 6,868,837	$ 6,868,837	$ 8,050,762	$ 1,181,925

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

CITY OF ASHTON
Budget to Actual Comparison Schedule
Parks and Recreation Fund
September 30, 2024

REVENUES	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Local Sources:				
County tax collections	$ 28,273	$ 28,273	$ 25,597	$ (2,676)
Other local revenues	3,336,959	3,336,959	3,674,955	337,996
Grants & entitlements	-	-	3,580	3,580
Total revenue	$ 3,365,232	$ 3,365,232	$ 3,704,132	$ 338,900
EXPENDITURES				
Recreation	$ 3,362,067	$ 3,362,067	$ 2,522,977	$ 839,090
Capital outlay	4,126	4,126	191	3,935
Total expenditures	$ 3,366,193	$ 3,366,193	$ 2,523,168	$ 843,025
Excess revenues over expenditures	$ (961)	$ (961)	$ 1,180,964	$ 1,181,925
OTHER FINANCING SOURCES:				
Transfers in (out)	$ -	$ -	$ 55,000	$ 55,000
Total other financing sources and uses	$ -	$ -	$ 55,000	$ 55,000
Change in net position	$ (961)	$ (961)	$ 1,235,964	$ 1,236,925
FUND BALANCE				
Beginning fund balance	6,869,798	6,869,798	6,869,798	-
Ending fund balance	$ 6,868,837	$ 6,868,837	$ 8,105,762	$ 1,236,925

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

CITY OF ASHTON
SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY
PERSI - Base Plan
Last 10 Fiscal Years

	2020	2021	2022	2023	2024
City of Ashton portion of the net pension liability	0.0089968%	0.0100616%	0.0098756%	0.0099147%	0.0088175%
City of Ashton proportionate share of the net pension liability	$ 208,918	$ (7,946)	$ 388,976	$ 395,665	$ 329,830
City of Ashton covered-employee payroll	$ 343,775	$ 420,298	$ 410,706	$ 475,594	$ 435,137
City of Ashton proportional share of the net pension liability as a percentage of its covered-employee payroll	60.77%	-1.89%	94.71%	83.19%	75.80%
Plan fiduciary net position as a percentage of the total pension liability	88.22%	100.36%	83.09%	83.83%	85.54%

	2019	2018	2017	2016	2015
City of Ashton portion of the net pension liability	0.0084248%	0.0105768%	0.0107372%	0.0110005%	0.0114519%
City of Ashton proportionate share of the net pension liability	$ 96,167	$ 156,010	$ 168,770	$ 222,997	$ 87,794
City of Ashton covered-employee payroll	$ 363,206	$ 389,867	$ 376,153	$ 338,927	$ 335,407
City of Ashton proportional share of the net pension liability as a percentage of its covered-employee payroll	26.48%	40.02%	44.87%	65.79%	26.18%
Plan fiduciary net position as a percentage of the total pension liability	93.79%	91.69%	90.68%	87.26%	91.38%

- Data reported is measured as of June 30, 2024

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

CITY OF ASHTON
SCHEDULE OF EMPLOYER CONTRIBUTIONS
PERSI - Base Plan
Last 10 Fiscal Years

	2020	2021	2022	2023	2024
Statutorily required contribution	$ 35,298	$ 38,992	$ 45,912	$ 43,303	$ 57,353
Contributions in relation to the statutorily required contribution	$ 38,744	$ 44,534	$ 47,235	$ 50,945	$ 48,885
Contribution (deficiency) excess	$ 3,446	$ 5,542	$ 1,324	$ 7,641	$ (8,468)
Employer's covered-employee payroll	$ 319,030	$ 367,049	$ 389,306	$ 419,853	$ 403,256
Contributions as a percentage of covered-employee payroll	12.14%	12.13%	12.13%	12.13%	12.12%

	2019	2018	2017	2016	2015
Statutorily required contribution	$ 32,237	$ 41,074	$ 35,666	$ 31,918	$ 37,223
Contributions in relation to the statutorily required contribution	$ 32,864	$ 39,043	$ 37,692	$ 36,035	$ 35,614
Contribution (deficiency) excess	$ 627	$ (2,031)	$ 2,026	$ 4,117	$ (1,610)
Employer's covered-employee payroll	$ 284,931	$ 338,500	$ 326,776	$ 310,888	$ 309,539
Contributions as a percentage of covered-employee payroll	11.53%	11.53%	11.53%	11.54%	12.02%

- Data reported is measured as of June 30, 2024

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

NOTE 1 BUDGETS

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for all governmental and proprietary fund types.

NOTE 2 LEGAL COMPLIANCE – BUDGETS

The City follows these procedures in establishing the budgetary data reflected in the financial statements.

1. The City annually prepares a budget by estimating the probable amount of money necessary for all purposes for which an appropriation is to be made (including interest and principal due on the bonded debt) and by itemizing and classifying the proposed expenditures as nearly as may be practicable. To support such proposed expenditures, the City prepares an estimate of the total revenue anticipated during the ensuing fiscal year for which a budget is being prepared and classified such receipts by source as nearly as may be possible and practicable.

2. The proposed budget is published.

3. A public hearing is conducted to obtain citizen comments.

4. The budget is formally adopted through approval by the City Council.

5. The City may amend the budget using the same procedures which were used in adopting the original budget. A budget may be amended downward in any instance.

   However, amendment to a greater amount than adopted can only happen if the City receives additional revenues in that fiscal year as a result of an increase in non-property tax related receipts.

   Once the change is justified, the process for formal adoption is as described above.

6. Budgetary integration is employed as a management control device during the year for all funds. Legal budgetary control is established based upon total revenues and expenditures.

7. The level of control (level at which expenditures may not exceed budget) is the fund.

8. All annual appropriations lapse at fiscal year end.

NOTE 3 EXCESS OF ACTUAL EXPENDITURES OVER BUDGET

No funds had expenditures exceed budgeted amounts for the year ended September 30, 2024.

NOTE 4 PENSION

The City of Ashton contributes to 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.

During the fiscal year ended September 30, 2024, there were no changes of benefit terms, neither was there any significant change in the composition of the population covered by the benefit terms. All assumptions used in actuarial calculations were not significantly different from those used in the past.

SUPPLEMENTAL INFORMATION

CITY OF ASHTON
Combining Balance Sheet
Nonmajor Special Revenue Funds
September 30, 2024

ASSETS	Visitor Center	Capital Improvements Fund	Archives Fund	Utility Donation Fund	MYAC Fund	Total Special Revenue Funds
Cash	$ 36,467	$ 38,371	$ -	$ -	$ -	$ 74,838
Tax receivable	-	437	-	-	-	437
Other receivable	-	-	-	-	-	-
Prepaid Insurance	-	-	-	-	-	-
Total assets	$ 36,467	$ 38,808	$ -	$ -	$ -	$ 75,275
LIABILITIES AND FUND BALANCE						
LIABILITIES						
Accounts payable	$ -	$ -	$ -	$ -	$ -	$ -
Interfunds payable	-	-	-	-	-	-
Salaries payable	-	-	-	-	-	-
Customer deposits	-	-	-	-	-	-
Deferred revenues	-	280	-	-	-	280
Total liabilities	-	280	-	-	-	280
FUND BALANCE	36,467	38,528	-	-	-	74,995
Total liabilities and fund balance	$ 36,467	$ 38,808	$ -	$ -	$ -	$ 75,275

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

CITY OF ASHTON
Combining Statement of Revenues, Expenditures and Changes in Fund Balance -
Nonmajor Special Revenue Funds
September 30, 2024

	Visitors Center	Capital Improvement Fund	Archive Fund	Utility Donation Fund	MYAC Fund	Total Special Revenue
REVENUE						
Local Sources:						
County tax collections	$ -	$ 12,688	$ -	$ -	$ -	$ 12,688
Interest earnings	549	2,778	-	-	-	3,327
Other and miscellaneous	24,362	-	-	-	-	24,362
State Sources:						
Grants and entitlements	-	-	-	-	-	-
Total revenues	$ 24,911	$ 15,466	$ -	$ -	$ -	$ 40,377
EXPENDITURES						
Administration	$ -	$ -	$ -	$ -	$ -	$ -
Culture	-	-	-	-	-	-
Recreation	(190)	-	-	-	-	(190)
Capital outlay	-	-	-	-	-	-
Total expenditures	$ (190)	$ -	$ -	$ -	$ -	(190)
Excess revenues over expenditures	$ 25,101	$ 15,466	$ -	$ -	$ -	$ 40,567
OTHER FINANCING SOURCES						
Transfers in (out)	-	-	-	-	-	-
Net change in fund balance	$ 25,101	$ 15,466	$ -	$ -	$ -	$ 40,567
FUND BALANCE						
Beginning fund balance	11,366	23,062	-	-	-	34,428
Ending fund balance	$ 36,467	$ 38,528	$ -	$ -	$ -	$ 74,995

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

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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*

Mayor and City Council
City of Ashton
Ashton, ID 83420

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Ashton, Idaho, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise City of Ashton, Idaho's basic financial statements and have issued our report thereon dated February 12, 2025.

Internal Control over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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 were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City of Ashton, Idaho'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. We consider the deficiency described in the accompanying schedule of audit findings and responses to be a significant deficiency. (#2024-01).

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards.*

City of Ashton, Idaho's Response to Findings,

City of Ashton, Idaho's response to the findings identified in our audit is described in the accompanying schedule of findings. City of Ashton, Idaho's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.

Jensen Poulsen & Company, PLLC

JENSEN POULSEN & COMPANY, PLLC
Certified Public Accountants
Idaho Falls, Idaho
February 12, 2025

A. SIGNIFICANT DEFICIENCIES

2024-01—Lack of segregation of duties

Condition: The City is experiencing a lack of segregation of duties over cash and investment transactions.

Cause: The above noted situation is the result of staffing limitations necessitated by budget constraints common to a city this size.

Effect: The lack of an ideal segregation of duties may increase the risk that loss of assets would not be detected and prevented in a timely manner and in the normal course of operations.

Recommendation: It is simply requested that the City take note that this situation exists. However, substantial changes cannot be expected until the above noted situation is adequately mitigated.

Response: The City recognizes the lack of segregation of duties by feels the level of participation from the Mayor and City Council provides the appropriate controls to mitigate the potential of material misstatements due to error or fraud.

CITY OF ASHTON

Schedule of Prior Findings and Responses
September 30, 2024

Findings on Prior Findings:

FINDINGS—FINANCIAL STATEMENT AUDIT

A. SIGNIFICANT DEFICIENCIES

2023-01 – Lack of segregation of duties

Current status: Current year finding. See 2024-1.

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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

Mayor and City Council
City of Ashton
Ashton, Idaho 83420

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited City of Ashton's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of City of Ashton's major federal programs for the year ended September 30, 2024. City of Ashton'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 Ashton 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 Ashton 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 Ashton'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 Ashton'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 Ashton'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 Ashton'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 Ashton'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 Ashton'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 Ashton'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.

Jensen Poulsen & Company, PLLC
JENSEN POULSEN & COMPANY, PLLC
Certified Public Accountants
Idaho Falls, ID
February 12, 2025

CITY OF ASHTON

Schedule of Findings and Questioned Costs
September 30, 2024

Section I – Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material Weaknesses identified?	No
Significant Deficiencies identified?	Yes – 2024-01
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material Weaknesses identified?	No
Significant Deficiencies identified?	No
Type of auditors' report issued on compliance for major programs?	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.514?	No

Identification of Major Programs:

CFDA Number:	Name of Federal Program:
#21.027	Department of Environmental Quality ARPA

Dollar threshold used to distinguish between Type A and Type B programs:	$ 750,000
Auditee qualified as low-risk auditee?	No

Section II – Financial Statement Findings

2024-01

Section III – Federal Award Programs Findings

None

CITY OF ASHTON

Schedule of Expenditures of Federal Awards
For the year ended September 30, 2024

	Federal CFDA No.	Accrued Grant and Loan Disbursements
Department of Environmental Quality		
Coronavirus State and Local Fiscal Recovery Funds	21.027	$ 1,065,573
Total Expenditures		$ 1,065,573

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE A BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City of Ashton 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 Ashton, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City of Ashton.

NOTE B SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified 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 Ashton has elected to not use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.