# CITY OF BANCROFT, IDAHO

Report on Audited
Basic
Financial Statements
and
Supplemental Information

For the Year Ended September 30, 2024

Table of Contents


| | Page |
|---|---|
| Independent Auditor's Report | 3 |
| **BASIC FINANCIAL STATEMENTS** | |
| Government-wide Financial Statements: | |
| Statement of Net Position | 5 |
| Statement of Activities | 6 |
| Fund Financial Statements: | |
| Balance Sheet – Governmental Funds | 7 |
| Reconciliation of the Balance Sheet of the Governmental Funds to the Statement of Net Position | 8 |
| Statement of Revenues, Expenditures, and Changes in Fund Balance | 9 |
| Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of the Governmental Funds to the Statement of Activities | 10 |
| Statement of Net Position – Proprietary Funds | 11 |
| Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds | 12 |
| Statement of Cash Flows – Proprietary Funds | 13 |
| Notes to Financial Statements | 15 |
| **REQUIRED SUPPLEMENTARY INFORMATION** | |
| Budgetary (GAAP Basis) Comparison Schedule – General Fund | 30 |
| Notes to Required Supplementary Information | 31 |
| Schedule of Required Supplementary Information | 32 |
| **FEDERAL REPORTS** | |
| Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards | 34 |

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# Independent Auditor's Report

Honorable Mayor
and City Council
Bancroft, Idaho

**Report on the Financial Statements**

***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the City of Bancroft, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the city's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the City of Bancroft, 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Commission 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.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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's ability to continue as a going concern for one year after the date that the financial statements are issued.

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

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

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

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

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules, schedule of the City's proportionate share of the net pension liability, and schedule of City contributions on pages 30 through 32 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 5, 2025, on our consideration of the City of Bancroft, 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 Bancroft, Idaho's internal control over financial reporting and compliance.

Zwygart John and Associates, CPAs PLLC

Nampa, Idaho
March 5, 2025

**City of Bancroft, Idaho**
Statement of Net Position
September 30, 2024

| | Governmental Activities | Business-Type Activities | Total |
|---|---|---|---|
| **Assets** | | | |
| Current Assets: | | | |
| Cash and Cash Equivalents | $ 134,804 | $ 130,558 | $ 265,362 |
| Investments | 37,941 | - | 37,941 |
| Receivables, Net: | | | |
| Property Taxes | 3,198 | - | 3,198 |
| Intergovernmental | 10,414 | - | 10,414 |
| Accounts | - | 11,266 | 11,266 |
| Prepaids | 16,813 | - | 16,813 |
| Total Current Assets | 203,170 | 141,824 | 344,994 |
| Noncurrent Assets: | | | |
| Restricted Cash | - | 66,112 | 66,112 |
| Capital Assets: | | | |
| Land | 101,938 | 6,000 | 107,938 |
| Buildings, Net | 176,849 | 676,256 | 853,105 |
| Equipment, Net | 14,672 | 411 | 15,083 |
| Total Noncurrent Assets | 293,459 | 748,779 | 1,042,238 |
| Total Assets | 496,629 | 890,603 | 1,387,232 |
| **Deferred Outflows** | | | |
| Pension Related Items | 26,877 | - | 26,877 |
| Total Deferred Outflows | 26,877 | - | 26,877 |
| **Liabilities** | | | |
| Accounts Payable and Other Current Liabilities | 16,393 | 241 | 16,634 |
| Accrued Interest | - | 5,137 | 5,137 |
| Long-Term Liabilities: | | | |
| Due Within One Year: | | | |
| Compensated Absences | 7,461 | - | 7,461 |
| Current Portion Notes Payable | - | 43,352 | 43,352 |
| Due in More than One Year: | | | |
| Notes Payable Less Current Portion | - | 317,216 | 317,216 |
| Net Pension Liability | 111,361 | - | 111,361 |
| Total Liabilities | 135,215 | 365,946 | 501,161 |
| **Deferred Inflows** | | | |
| Pension Related Items | 2,021 | - | 2,021 |
| Total Deferred Inflows | 2,021 | - | 2,021 |
| **Net Position** | | | |
| Invested in Capital Assets, Net of Related Debt | 293,459 | 322,099 | 615,558 |
| Restricted | - | 66,112 | 66,112 |
| Unrestricted (Deficit) Surplus | 92,811 | 136,446 | 229,257 |
| Total Net Position | $ 386,270 | $ 524,657 | $ 910,927 |

The accompanying notes are an integral part of the financial statements.

**City of Bancroft, Idaho**
Statement of Activities
For the Year Ended September 30, 2024

| | | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position | | |
|---|---|---|---|---|---|---|---|
| | Expenses | Charges for Services and Sales | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-Type Activities | Total |
| **Primary Government:** | | | | | | | |
| Governmental Activities: | | | | | | | |
| General Government | $ 297,203 | $ 4,162 | $ - | $ - | $ (293,041) | $ - | $ (293,041) |
| Public Safety | 8,121 | - | - | - | (8,121) | - | (8,121) |
| Highway and Streets | 68,776 | - | - | - | (68,776) | - | (68,776) |
| Airport | 3,270 | - | - | - | (3,270) | - | (3,270) |
| Cultural and Recreational | 29,928 | - | 18,853 | - | (11,075) | - | (11,075) |
| Total Governmental Activities | 407,298 | 4,162 | 18,853 | - | (384,283) | - | (384,283) |
| Business-Type Activities: | | | | | | | |
| Water | 81,339 | 119,045 | - | - | - | 37,706 | 37,706 |
| Sewer | 35,430 | 32,359 | - | - | - | (3,071) | (3,071) |
| Sanitation | 31,678 | 33,674 | - | - | - | 1,996 | 1,996 |
| Total Business-Type Activities | 148,447 | 185,078 | - | - | - | 36,631 | 36,631 |
| **Total Primary Government** | $ 555,745 | $ 189,240 | $ 18,853 | $ - | (384,283) | 36,631 | (347,652) |
| General Revenues: | | | | | | | |
| Property Taxes | | | | | 218,451 | - | 218,451 |
| Franchise Fees | | | | | 5,163 | - | 5,163 |
| State Sources | | | | | 83,887 | - | 83,887 |
| Gain(Loss) on Sale of Assets | | | | | - | - | - |
| Other | | | | | 4,732 | - | 4,732 |
| Unrestricted Investment Earnings | | | | | 1,502 | 116 | 1,618 |
| Transfers Between Governmental and Business Funds | | | | | - | - | - |
| Total General Revenues and | | | | | 313,735 | 116 | 313,851 |
| Change in Net Position | | | | | (70,548) | 36,747 | (33,801) |
| Net Position, Beginning of Year, | | | | | 456,818 | 487,910 | 944,728 |
| Net Position, End of Year | | | | | $ 386,270 | $ 524,657 | $ 910,927 |

The accompanying notes are an integral part of the financial statements.

**City of Bancroft, Idaho**
Balance Sheet -
Governmental Funds
September 30, 2024

| | General |
|---|---|
| **Assets** | |
| Cash and Cash Equivalents | $ 134,804 |
| Investments | 37,941 |
| Receivables, Net: | |
| Property Tax | 3,198 |
| Intergovernmental | 10,414 |
| Prepaids | 16,813 |
| Total Assets | $ 203,170 |
| | |
| **Liabilities and Fund Balances** | |
| Liabilities: | |
| Accounts Payable | $ 4,796 |
| Payroll Liabilities | 11,597 |
| Total Liabilities | 16,393 |
| | |
| **Deferred Inflows** | |
| Unearned Revenue - Property Taxes | 2,458 |
| Total Deferred Inflows | 2,458 |
| | |
| Fund Balances: | |
| Nonspendable | 16,813 |
| Restricted | - |
| Unassigned | 167,506 |
| Total Fund Balances | 184,319 |
| | |
| **Total Liabilities, Deferred Inflows, and Fund Balances** | $ 203,170 |

The accompanying notes are an integral
part of the financial statements.

**City of Bancroft, Idaho**
Reconciliation of the Balance Sheet of the
Governmental Funds to the Statement of Net Position
September 30, 2024

| | | |
|---|---|---|
| Total Fund Balances - Governmental Funds | | $ 184,319 |
| Amounts reported for governmental activities in the Statement of Net Position are different because of the following: | | |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds. The cost of assets consist of: | | |
| Land & Construction in Progress | $ 101,938 | |
| Buildings & Improvements, Net of $230,822 Accumulated Depreciation | 176,849 | |
| Equipment, Net of 312,555 Accumulated Depreciation | 14,672 | |
| | | 293,459 |
| Property taxes receivable will be collected this year, but are not available soon enough to pay for current period's expenditures and, therefore, are deferred in the funds. | | 2,458 |
| The City participates in the Public Employer Retirement System of Idaho, which is a cost-sharing plan. As a participant they are required to report their share of the Net Pension Liability and the related deferred inflows and outflows on their Statement of Net Position. | | |
| Net Pension Liability | $ (111,361) | |
| Pension Related Deferred Inflows | (2,021) | |
| Pension Related Deferred Outflows | 26,877 | |
| | | (86,505) |
| Long-term liabilities, applicable to the City's governmental activities, are not due and payable in the current period and, accordingly, are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities - both current and long-term - are reported in the Statement of Net Position. | | |
| Compensated Absences | $ (7,461) | |
| | | (7,461) |
| Net Position of Governmental Activities | | $ 386,270 |

The accompanying notes are an integral
part of the financial statements.

**City of Bancroft, Idaho**
Statement of Revenues, Expenditures, and
Changes in Fund Balances -
Governmental Funds
For the Year Ended September 30, 2024

| | General |
|---|---|
| **Revenues** | |
| Property Taxes | $ 221,106 |
| Franchise Fees | 5,163 |
| Licenses and Permits | 4,162 |
| Grants | 18,853 |
| Intergovernmental | 83,887 |
| Interest | 1,502 |
| Other | 4,732 |
| Total Revenues | 339,405 |
| **Expenditures** | |
| Current: | |
| City Council/Mayor | 9,156 |
| City Hall | 58,546 |
| General Operations | 77,215 |
| Facilities | 51,508 |
| Planning & Development | 1,791 |
| Legal | 8,611 |
| Fire | 4,039 |
| Parks & Recreation | 25,468 |
| Arts, Culture, & Historical | 9,132 |
| Road & Bridge | 142,954 |
| Airport | 3,270 |
| Total Expenditures | 391,690 |
| Net Change in Fund Balances | (52,285) |
| Fund Balances - Beginning | 236,604 |
| Fund Balances - Ending | $ 184,319 |

The accompanying notes are an integral
part of the financial statements.

**City of Bancroft, Idaho**
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of the
Governmental Funds to the Statement of Activities
For the Year Ended September 30, 2024

| | | |
|---|---|---|
| Total Net Change in Fund Balance - Governmental Funds | $ | (52,285) |
| Amounts reported for governmental activities in the Statement of Activities are different because of the following: | | |
| Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their useful lives as depreciation expense and any remaining balance is deducted when disposed. In the current period these amounts are: | | |
| Capital Outlay | | 24,700 |
| Depreciation Expense | | (21,574) |
| Because some property taxes will not be collected for several months after the City's fiscal year ends, they are not considered as "available" revenues in the governmental funds and are, instead, counted as deferred tax revenues. They are, however, recorded as revenues in the Statement of Activities. | | (2,655) |
| The City participates in the Public Employer Retirement System of Idaho, which is a cost-sharing plan. As a participant they are required to report their share of the Net Pension Liability and the related deferred inflows and outflows on their Statement of net Position. The changes in the Net Pension Liability and the related deferred inflows and outflows does not affect the governmental funds, but are reported in the Statement of Activities. | | (26,195) |
| Some expenses reported in the Statement of Activities do not require the use of current financial resources and are not reported as expenditures in governmental funds. | | |
| Change in Compensated Absences | | 7,461 |
| Change in Net Position of Governmental Activities | $ | (70,548) |

The accompanying notes are an integral
part of the financial statements.

**City of Bancroft, Idaho**
Statement of Net Position -
Proprietary Funds
September 30, 2024

| | Business-Type Activities - Enterprise Funds | | | |
|---|---|---|---|---|
| | Water | Sewer | Sanitation | Total |
| **Assets** | | | | |
| Current Assets: | | | | |
| Cash and Cash Equivalents | $ - | $ 104,354 | $ 26,204 | $ 130,558 |
| Receivables, Net | 6,488 | 2,318 | 2,460 | 11,266 |
| Internal Balances | - | 4,471 | - | 4,471 |
| Total Current Assets | 6,488 | 111,143 | 28,664 | 146,295 |
| Noncurrent Assets: | | | | |
| Restricted Cash | 66,112 | - | - | 66,112 |
| Capital Assets: | | | | |
| Land | - | 6,000 | - | 6,000 |
| Buildings, Net | 634,388 | 41,868 | - | 676,256 |
| Equipment, Net | 411 | - | - | 411 |
| Total Noncurrent Assets | 700,911 | 47,868 | - | 748,779 |
| Total Assets | 707,399 | 159,011 | 28,664 | 895,074 |
| **Liabilities** | | | | |
| Current Liabilities: | | | | |
| Internal Balances | 4,471 | - | - | 4,471 |
| Accounts Payable | 241 | - | - | 241 |
| Accrued Interest | 5,137 | - | - | 5,137 |
| Current Portion Notes Payable | 43,352 | - | - | 43,352 |
| Total Current Liabilities | 53,201 | - | - | 53,201 |
| Noncurrent Liabilities: | | | | |
| Notes Payable Less Current Portion | 317,216 | - | - | 317,216 |
| Total Liabilities | 370,417 | - | - | 370,417 |
| **Net Position** | | | | |
| Invested in Capital Assets, Net of Related Debt | 274,231 | 47,868 | - | 322,099 |
| Restricted for Debt Service | 66,112 | - | - | 66,112 |
| Unrestricted | (3,361) | 111,143 | 28,664 | 136,446 |
| Total Net Position | $ 336,982 | $ 159,011 | $ 28,664 | $ 524,657 |

The accompanying notes are an integral part of the financial statements.

**City of Bancroft, Idaho**
Statement of Revenues, Expenses, and Changes
in Fund Net Position - Proprietary Funds
For the Year Ended September 30, 2024

| | Business-Type Activities - Enterprise Funds | | | |
|---|---|---|---|---|
| | Water | Sewer | Sanitation | Total |
| **Operating Revenues** | | | | |
| Charges for Services | $ 119,045 | $ 32,359 | $ 33,674 | $ 185,078 |
| Total Operating Revenues | 119,045 | 32,359 | 33,674 | 185,078 |
| **Operating Expenses** | | | | |
| Personnel Services | 24,962 | 24,861 | - | 49,823 |
| Operating Expense | 23,427 | 3,591 | 31,678 | 58,696 |
| Depreciation | 19,976 | 6,978 | - | 26,954 |
| Total Operating Expenses | 68,365 | 35,430 | 31,678 | 135,473 |
| **Operating Income (Loss)** | 50,680 | (3,071) | 1,996 | 49,605 |
| **Nonoperating Revenues (Expenses)** | | | | |
| Interest Expense | (12,974) | - | - | (12,974) |
| Investment Earnings | 64 | 52 | - | 116 |
| Total Nonoperating Revenues (Expenses) | (12,910) | 52 | - | (12,858) |
| **Change in Net Position** | 37,770 | (3,019) | 1,996 | 36,747 |
| **Net Position - Beginning** | 299,212 | 162,030 | 26,668 | 487,910 |
| **Net Position - Ending** | $ 336,982 | $ 159,011 | $ 28,664 | $ 524,657 |

The accompanying notes are an integral
part of the financial statements.

**City of Bancroft, Idaho**
Statement of Cash Flows -
Proprietary Funds
For the Year Ended September 30, 2024

| | Business-Type Activities - Enterprise Funds | | | |
|---|---|---|---|---|
| | Water | Sewer | Sanitation | Total |
| **Cash Flows From Operating Activities** | | | | |
| Cash Receipts from Customers | $ 119,930 | $ 32,572 | $ 33,957 | $ 186,459 |
| Payments to Employees for Services | (24,962) | (24,861) | - | (49,823) |
| Payments to Suppliers for Goods or Services | (23,725) | (3,738) | (31,678) | (59,141) |
| Net Cash Provided (Used) by Operating Activities | 71,243 | 3,973 | 2,279 | 77,495 |
| **Cash Flows From Noncapital Financing Activities** | | | | |
| Net Cash Provided (Used) by Noncapital Financing Activities | - | - | - | - |
| **Cash Flows From Capital and Related Financing Activities** | | | | |
| Principal Paid on Capital Debt | (40,984) | - | - | (40,984) |
| Interest Paid on Capital Debt | (13,737) | - | - | (13,737) |
| Net Cash Provided (Used) From Capital and Related Financing Activities | (54,721) | - | - | (54,721) |
| **Cash Flows From Investing Activities** | | | | |
| Interest and Dividends | 64 | 52 | - | 116 |
| Net Increase (Decrease) in Cash and Cash Equivalents | 16,586 | 4,025 | 2,279 | 22,890 |
| **Cash and Cash Equivalents - Beginning** | 45,055 | 104,800 | 23,925 | 173,780 |
| **Cash and Cash Equivalents - Ending** | $ 61,641 | $ 108,825 | $ 26,204 | $ 196,670 |
| **Displayed As:** | | | | |
| Cash and Cash Equivalents | $ - | $ 104,354 | $ 26,204 | $ 130,558 |
| Internal Balances | (4,471) | 4,471 | - | - |
| Restricted Cash | 66,112 | - | - | 66,112 |
| | $ 61,641 | $ 108,825 | $ 26,204 | $ 196,670 |

The accompanying notes are an integral part of the financial statements.

**City of Bancroft, Idaho**
Statement of Cash Flows -
Proprietary Funds (continued)
For the Year Ended September 30, 2024

| | Business-Type Activities - Enterprise Funds | | | |
|---|---|---|---|---|
| | Water | Sewer | Sanitation | Total |
| Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities: | | | | |
| Operating Income (Loss) | $ 50,680 | $ (3,071) | $ 1,996 | $ 49,605 |
| Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities: | | | | |
| Depreciation | 19,976 | 6,978 | - | 26,954 |
| (Increase) Decrease in Accounts Receivable | 885 | 213 | 283 | 1,381 |
| Increase (Decrease) in Accounts Payable | (298) | (147) | - | (445) |
| Net Cash Provided by Operating Activities | $ 71,243 | $ 3,973 | $ 2,279 | $ 77,495 |

The accompanying notes are an integral part of the financial statements.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### A. Reporting Entity

The accompanying financial statements present the activities of the City of Bancroft, Idaho (the City), which has responsibility and control over all activities related to public safety; planning and zoning; roads, streets, and parks; and water and sewer services within the City. The City receives funding from local, state, and federal government sources and must comply with all of the requirements of these funding source entities. However, the City is not included in any other governmental reporting entity as defined by generally accepted accounting principles. Board members are elected by the public and have decision-making authority, the power to designate management, the ability to significantly influence operations, and the primary accountability for fiscal matters. In addition, the City's reporting entity does not contain any component units as defined in Governmental Accounting Standards.

### B. Basis of Presentation, Basis of Accounting

#### Basis of Presentation

*Government-wide Statements:* The Statement of Net Position and the Statement of Activities display information about the financial activities of the City. Eliminations have been made to minimize the double counting of internal activities. 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 each identifiable activity of the 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 expenses are expenses of the general government related to the administration and support of the City's programs, such as personnel and accounting (but not interest on long-term debt)—are allocated to programs based on their percentage of total primary government expenses. Interest expenses are allocated to the programs that manage the capital assets financed with long-term debt.
- Program revenues include (a) 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 all taxes and state formula aid, 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 emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column.

The City reports the following major governmental funds:

- *General fund.* This is the City's primary operating fund. It accounts for all financial resources of the City, except those required to be accounted for in another fund. Planning and zoning activities within the City limits are accounted for in a separate fund in the City's accounting system. However, for financial statement reporting purposes, this fund is reported as part of the General fund as there have been no third-party restrictions placed on the accumulated resources.

Proprietary fund operating revenues and expenses are related to providing water sewer and sanitation services to the residents and businesses of the City of Bancroft, Idaho and providing services to other parts of the City government. Revenues and expenses that arise from capital and non-capital financing activities and from investing activities are presented as non-operating revenues or expenses.

The City has the following major enterprise funds:

- *Water fund.* This fund accounts for the activities of the City's water supply system, pumping stations, and collection systems.
- *Sanitation fund.* This fund accounts for the operations and collections of the City's sanitation services.
- *Sewer fund.* This fund accounts for the operations and collections of the City's sewer system.

Basis of Accounting

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, grants, 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 and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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 they are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, and claims and judgments, 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 liabilities and acquisitions under capital leases are reported as other financing sources.

Fund Balance Reporting in Governmental Funds

Different measurement focuses and bases of accounting are used in the government-wide Statement of Net Position and in the governmental fund Balance Sheet.

The City uses the following fund balance categories in the governmental fund Balance Sheet:

- *Nonspendable. Balances that are permanently preclude from conversion to cash.* F*or example, in permeant funds, prepaid expenses, and inventories,*
- *Unassigned.* Balances available for any purpose.

The remaining fund balance classifications (non-spendable, committed, and assigned) are either not applicable or no formal policy has yet been established to be able to utilize such classifications of fund balance. However, if there had been committed funds, these amounts would have been decided by the City Council, the City's highest level of decision-making authority, through a formal action. The City Council would also have the authority to assign funds or authorize another official to do so.

Under the terms of grant agreements, the City funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets/fund balance available to finance the program. When both restricted and unrestricted resources are available for use, it is the government's intent to use restricted resources first, then unrestricted resources as they are needed.

There is also no formal policy regarding the use of committed, assigned, or unassigned fund balances. However, it is the City's intent that when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used, the City considers committed amounts to be reduced first, followed by assigned amounts, and then unassigned amounts.

A. Assets and Liabilities

Cash Equivalents

The City requires all cash belonging to the City to be placed in custody of the Clerk. A "Pooled Cash" concept is therefore used in maintaining the cash and investment accounts in the accounting records. Under this method, all cash is pooled for investment purposes and each fund has equity in the pooled amount. All amounts included in the pooled cash and investment accounts are considered to be cash and cash equivalents. See Note 2.

Receivables

All trade property tax receivables are shown net of an allowance for uncollectible accounts. The City has credited an allowance for doubtful for the Water Fund. The amount for doubtful accounts is currently $2,000.

Property Tax Calendar

The City levies its real property taxes through the county in September of each year based upon the assessed valuation as of the previous July. Property taxes are due in two installments on December 20 and June 20 and are considered delinquent on January 1 of the succeeding year, at which time the property is subject to lien.

Capital Assets

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed assets are reported at estimated fair value at the time received.

Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the government-wide statements and proprietary funds are shown below:

| | Capitalization Policy | Depreciation Method | Estimated Useful Life |
|---|---|---|---|
| Equipment & Vehicles | $5,000 | Straight-Line | 3 – 10 Years |
| Buildings & Improvements | $5,000 | Straight-Line | 10 – 50 Years |

General infrastructure assets acquired prior to October 2003 are not reported in the basic financial statements. General infrastructure assets include all roads and bridges and other infrastructure assets acquired subsequent to October 2003.

Depreciation is used to allocate the actual or estimated historical cost of all capital assets over their estimated useful lives.

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.

Compensated Absences

The City uses the vesting method to compute compensated absences for leave.

Estimates

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

2. CASH AND INVESTMENTS

Deposits

As of September 30, 2024, the carrying amount of the City's deposits was $331,382 and the respective bank balances totaled $337,911. The entire bank balance was insured or collateralized with pooled securities held by the pledging institution in the name of the City.

Deposits

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned. As of September 30, 2024, All of the City's deposits were covered by the federal depository insurance or by collateral held by the City's agent or pledging financial institution's trust department or agent in the name of the City. The City holds $92 for change in the cash register. The City does not have a formal policy limiting its exposure to custodial credit risk.

Custodial Credit Risk – Investments

Custodial credit risk is the risk that an issuer or other counter party to an investment will not fulfill its obligations. The City does not have a formal policy limiting its custodial credit risk for investments.

Interest Rate Risk

The City does not have a formal policy limiting investment maturities that would help manage its exposure to fair value losses from increasing interest rates.

Investments

The City follows Idaho Statute that outlines qualifying investment options as follows:

> Idaho Code authorizes the City to invest any available funds in obligations issued or guaranteed by the United States Treasury, the State of Idaho, local Idaho municipalities and taxing districts, the Farm Credit System, or Idaho public corporations, as well as time deposit accounts and repurchase agreements.

The City's investments at September 30, 2024, are summarized below:

| | | Maturity (in Years) |
|---|---|---|
| Investment | Fair Value | Less than 1 |
| Certificate of Deposit | $ 37,941 | $ 37,941 |

At year-end, the cash and investments were reported in the basic financial statements in the following categories:

| | Governmental Activities | Business-Type Activities | Total |
|---|---|---|---|
| Cash and cash equivalents | $ 134,804 | $ 130,558 | $ 265,362 |
| Restricted Cash | - | 66,112 | 66,112 |
| Investments | 37,941 | - | 37,941 |
| | $ 172,745 | $ 196,670 | $ 369,415 |

3. DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units (State of Idaho) consist of state revenue sharing of $10,414.

4. RISK MANAGEMENT

The City is exposed to a considerable number of 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) worker's compensation, i.e. employee injuries, and f) medical insurance costs of its employees. Commercial insurance policies are purchased to transfer the risk of loss for property and content damage, employee torts, and professional liabilities.

5. COMPENSATED ABSENCES

Vacation leave is granted to all regular City employees. In the event of termination, an employee is reimbursed for accumulated vacation leave.

Changes in compensated absences for the year ended September 30, 2024, are as follows:

| | 9/30/2023 | Increase | Decrease | 9/30/2024 | Current Portion |
|---|---|---|---|---|---|
| Governmental Activities | $ 7,828 | $ 5,592 | $ (5,959) | $ 7,461 | $ 7,461 |

6. CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2024, was as follows:

| | 9/30/2023 | Additions | Disposals | 9/30/2024 |
|---|---|---|---|---|
| Governmental Activities: | | | | |
| Capital Assets Not Being Depreciated: | | | | |
| Land | $ 77,238 | $ 24,700 | $ - | $ 101,938 |
| Total Historical Cost | 77,238 | 24,700 | - | 101,938 |
| Capital Assets Being Depreciated: | | | | |
| Buildings | 130,373 | - | - | 130,373 |
| Improvements | 277,298 | - | - | 277,298 |
| Equipment | 327,227 | - | - | 327,227 |
| Total Historical Cost | 734,898 | - | - | 734,898 |
| Less: Accumulated Depreciation | | | | |
| Buildings | 89,984 | 4,571 | - | 94,555 |
| Improvements | 130,740 | 5,527 | - | 136,267 |
| Equipment | 301,079 | 11,476 | - | 312,555 |
| Total Acc. Depr. | 521,803 | 21,574 | - | 543,377 |
| Net Depreciable Assets | 213,095 | (21,574) | - | 191,521 |
| Governmental Activities Capital Assets - Net | $ 290,333 | $ 3,126 | $ - | $ 293,459 |

| | 9/30/2023 | Additions | Disposals | 9/30/2024 |
|---|---|---|---|---|
| Business-Type Activities: | | | | |
| Capital Assets Not Being Depreciated: | | | | |
| Land | $ 6,000 | $ - | $ - | $ 6,000 |
| Capital Assets Being Depreciated: | | | | |
| Buildings & Improvements | 1,306,580 | - | - | 1,306,580 |
| Equipment | 45,389 | - | - | 45,389 |
| Total Historical Cost | 1,351,969 | - | - | 1,351,969 |
| Less: Accumulated Depreciation | | | | |
| Buildings & Improvements | 604,192 | 26,132 | - | 630,324 |
| Equipment | 44,156 | 822 | - | 44,978 |
| Total Acc. Depr. | 648,348 | 26,954 | - | 675,302 |
| Net Depreciable Assets | 703,621 | (26,954) | - | 676,667 |
| Business-Type Activities Capital Assets - Net | $ 709,621 | $ (26,954) | $ - | $ 682,667 |

Depreciation expense was charged to the functions of the City as follows:

| | |
|---|---|
| Governmental Activities: | |
| General Administrative | $ 1,183 |
| Public safety | 4,082 |
| Roads and Streets | 12,587 |
| Cultural and Recreational | 3,722 |
| | $ 21,574 |
| Business-Type Activities: | |
| Water | $ 19,976 |
| Sewer | 6,978 |
| | $ 26,954 |

## 7. PENSION PLAN

*Plan Description*

The City of Bancroft, Idaho 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.

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

*Member and Employer Contributions*

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

The contribution rates for employees are set by statute at 60% of the employer rate for general employees and 74% for public safety. As of June 30, 2024 it was 6.71% for general and 9.83% for police and firefighters. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.18% for general employees and 13.26% for police and firefighters. The City of Bancroft, Idaho's contributions were $18,067 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 Bancroft, Idaho reported an asset for its proportionate share of the net pension liability/(asset). The net pension liability/(asset) was measured as of June 30, 2024, and the total pension liability/(asset) used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of that date. The City of Bancroft, Idaho's proportion of the net pension liability/(asset) was based on the City of Bancroft's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2024, the City of Bancroft's proportion was 0.0029771 percent.

For the year ended September 30, 2024, the City of Bancroft recognized pension expense/(revenue) of $37,169 . At September 30, 2024, the City of Bancroft, Idaho 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 | $ 17,730 | $ - |
| Changes in assumptions or other inputs | 4,411 | - |
| Net difference between projected and actual earnings on pension plan investments | - | 2,021 |
| City of Bancroft's contributions subsequent to the measurement date | 4,736 | - |
| Total | $ 26,877 | $ 2,021 |

$4,736 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, 2024, the beginning of the measurement period ended June 30, 2023, is 4.6 years and 4.6 for the measurement period June 30, 2024.

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

| For the Year Ended September 30: | PERSI |
|---|---|
| 2025 | $ 10,232 |
| 2026 | 20,764 |
| 2027 | (3,581) |
| 2028 | (2,559) |

*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 expense |
| Cost-of-living adjustments | 1% |

*Contributing Members, Service Retirement Members, and Beneficiaries*

- General employees and beneficiaries, Males Pub-2010 General Tables, increased 11%
- General employees and beneficiaries, Females Pub-2010 General Tables, increased 21%
- Teachers, Males Pub-2010 Teacher Tables, increased 12%
- Teachers, Females Pub-2010 Teacher Tables, increased 21%
- Fire & Police, Males Pub-2010 Safety Tables, increased 21%
- Fire & Police, Females Pub-2010 Safety Tables, increased 26%
- Disabled Members, Males Pub-2010 Disabled Tables, increased 38%
- Disabled Members, Females Pub-2010 Disabled Tables, increased 36%

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

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

*Discount Rate*

The discount rate used to measure the total pension liability was 6.35%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate. Based on these assumptions, the pension plans' net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of

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

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

The following presents the Employer's proportionate share of the net pension liability calculated using the discount rate of 6.35 percent, as well as 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%) |
|---|---|---|---|
| Employer's proportionate share of the net pension liability (asset) | $ 211,621 | $ 111,361 | $ 29,475 |

*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.

8. NOTES PAYABLE

The City received a loan from DEQ to fund water projects. Changes in notes payable for the year ended September 30, 2024 are as follows:

| Description | Maturity | Rate | 9/30/2023 | Increase | Decrease | 9/30/2024 | Current Portion |
|---|---|---|---|---|---|---|---|
| Business-type Activities | | | | | | | |
| DEQ Loan | 2032 | 3.250% | $ 401,552 | $ - | $ (40,984) | $360,568 | $43,352 |

Debt service requirements on notes payable at September 30, 2024, are as follows:

| Year Ending September 30, | Business-Type Activities: Bonds and Notes Interest | Principal | Total |
|---|---|---|---|
| 2025 | $ 11,369 | $ 43,352 | $ 54,721 |
| 2026 | 9,949 | 44,772 | 54,721 |
| 2027 | 8,482 | 46,240 | 54,722 |
| 2028 | 6,966 | 47,755 | 54,721 |
| 2029 | 5,402 | 49,319 | 54,721 |
| 2027-2031 | 5,905 | 129,130 | 135,035 |
| | $ 48,073 | $ 360,568 | $408,641 |

All reserve amounts have been set aside in the State Investment Pool. Interest incurred and expensed during the year totaled $12,974 in the business-type activities. No interest was capitalized during the year.

9. ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following as of September 30, 2024:

| | Water | Sewer | Sanitation | Total |
|---|---|---|---|---|
| Accounts Receivable | $ 8,488 | $ 2,318 | $ 2,460 | $ 13,266 |
| Less: Allowance for Doubtful Accounts | (2,000) | - | - | (2,000) |
| | $ 6,488 | $ 2,318 | $ 2,460 | $ 11,266 |

# REQUIRED SUPPLEMENTARY INFORMATION

**City of Bancroft, Idaho**
Budgetary (GAAP Basis) Comparison Schedule
General Fund
For the Year Ended September 30, 2024

| | Budgeted Amounts | | | |
|---|---|---|---|---|
| | Original | Final | Actual | Variance |
| **Revenues** | | | | |
| Property Taxes | $ 242,110 | $ 242,110 | $ 221,106 | $ (21,004) |
| Franchise Fees | 7,000 | 7,000 | 5,163 | (1,837) |
| Licenses and Permits | 10,764 | 10,764 | 4,162 | (6,602) |
| Grants | 1,002,800 | 1,002,800 | 18,853 | (983,947) |
| Intergovernmental | 68,300 | 68,300 | 83,887 | 15,587 |
| Interest | 350 | 350 | 1,502 | 1,152 |
| Other | 94,120 | 94,120 | 4,732 | (89,388) |
| Total Revenues | 1,425,444 | 1,425,444 | 339,405 | (1,086,039) |
| **Expenditures** | | | | |
| Current: | | | | |
| General Government | 1,321,344 | 1,321,344 | 277,286 | 1,044,058 |
| Public Safety | 5,800 | 5,800 | 4,039 | 1,761 |
| Highway and Streets | 99,000 | 99,000 | 56,189 | 42,811 |
| Airport | 2,000 | 2,000 | 3,270 | (1,270) |
| Cultural and Recreational | 9,300 | 9,300 | 26,206 | (16,906) |
| Contingency Reserve | 10,000 | 10,000 | - | 10,000 |
| Capital Outlay | 1,000 | 1,000 | 24,700 | (23,700) |
| Total Expenditures | 1,448,444 | 1,448,444 | 391,690 | 1,056,754 |
| Net Change in Fund Balances | (23,000) | (23,000) | (52,285) | (29,285) |
| Fund Balances - Beginning | 23,000 | 23,000 | 236,604 | 213,604 |
| Fund Balances - Ending | $ - | $ - | $ 184,319 | $ 184,319 |

**City of Bancroft, Idaho**
Notes to Required Supplementary Information
For the Year Ended September 30, 2024

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1. BUDGETS AND BUDGETARY ACCOUNTING

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

A. Prior to September 1, the City Clerk, Mayor, and City Council prepare a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.

B. Public hearings are conducted at the City Hall to obtain taxpayer comments.

C. Prior to October 1, the budget is legally enacted through passage of an ordinance.

D. The City is authorized to transfer budgeted amounts between departments within any fund; however, no revision can be made to increase the overall tax supported funds except when federal or state grants are approved. The City, however, must follow the same budgetary procedures as they followed when the original budget was approved. The budget for Enterprise funds may also be revised in the same manner as those situations involving federal and state grants.

E. Formal budgetary integration is employed as a management control device during the year for the General fund and Special Revenue funds.

F. The budget for the General fund is adopted on a basis consistent with generally accepted accounting principles.

G. Budgeted amounts were not amended from the amounts originally adopted during the fiscal year ended September 30, 2024.

H. Expenditures may not legally exceed budgeted appropriations at the fund level. The City does not use the encumbrance method of accounting.

**City of Bancroft, Idaho**
Schedule of Required Supplemental Information
Public Employee Retirement System of Idaho
Last 10 - Fiscal Years*

## Schedule of the City's Proportionate Share of Net Pension Liability

| Year | City's Proportion of the Net Pension Liability | City's Proportionate Share of the Net Pension Liability | City's Covered Employee Payroll | City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll | Plan Fiduciary Net Position as a Percentage of the Total Pension Liability |
|---|---|---|---|---|---|
| 2024 | 0.0029771% | $ 111,361 | $ 158,821 | 70.12% | 85.54% |
| 2023 | 0.0027744% | $ 110,717 | $ 119,592 | 92.58% | 83.83% |
| 2022 | 0.0034508% | 135,919 | 122,543 | 110.92% | 83.09% |
| 2021 | 0.0034393% | (2,716) | 135,984 | -2.00% | 100.36% |
| 2020 | 0.0039695% | 92,177 | 134,188 | 68.69% | 88.22% |
| 2019 | 0.0038305% | 43,724 | 136,743 | 31.98% | 93.79% |
| 2018 | 0.0040867% | 60,280 | 129,911 | 46.40% | 91.69% |
| 2017 | 0.0038701% | 55,990 | 114,241 | 49.01% | 90.68% |
| 2016 | 0.0042886% | 133,829 | 115,558 | 115.81% | 87.26% |

Data reported is measured as of June 30, 2024

## Schedule of City Contributions

| Year | Contractually Required Contributions | Contributions in Relation to the Contractually Required Contribution | Contribution Deficiency (Excess) | City's Covered-Employee Payroll | Contributions as a Percentage of Covered-Employee Payroll |
|---|---|---|---|---|---|
| 2024 | $ 18,067 | $ 18,067 | $ - | $ 158,821 | 11.38% |
| 2023 | 14,104 | 14,104 | - | 119,592 | 11.79% |
| 2022 | 14,632 | 14,632 | - | 135,684 | 10.78% |
| 2021 | 16,201 | 16,201 | - | 135,684 | 11.94% |
| 2020 | 16,022 | 16,022 | - | 134,188 | 11.94% |
| 2019 | 15,676 | 15,676 | - | 136,743 | 11.46% |
| 2018 | 14,709 | 14,709 | - | 129,911 | 11.32% |
| 2017 | 12,932 | 12,932 | - | 114,241 | 11.32% |
| 2016 | 13,081 | 13,081 | - | 115,558 | 11.32% |

Data reported is measured as of June 30, 2024

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

# FEDERAL REPORT

ZWYGART JOHN
CERTIFIED PUBLIC ACCOUNTANTS
Zwygart John & Associates CPAs, PLLC
16130 North Merchant Way, Suite 120 ◆ Nampa, Idaho 83687
Phone: 208-459-4649 ◆ FAX: 208-229-0404

## Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

Honorable Mayor
and City Council
Bancroft, Idaho

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of the City of Bancroft, 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 Bancroft, Idaho's basic financial statements, and have issued our report thereon dated March 5, 2025.

### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Bancroft, Idaho'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 of Bancroft, Idaho's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Bancroft, Idaho's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies and therefore, material weaknesses or signification deficiencies may exist that have not been identified.

**Compliance and Other Matters**

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

**Purpose of this Report**

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

Zwygart John and Associates, CPAs PLLC

Nampa, Idaho
March 5, 2025