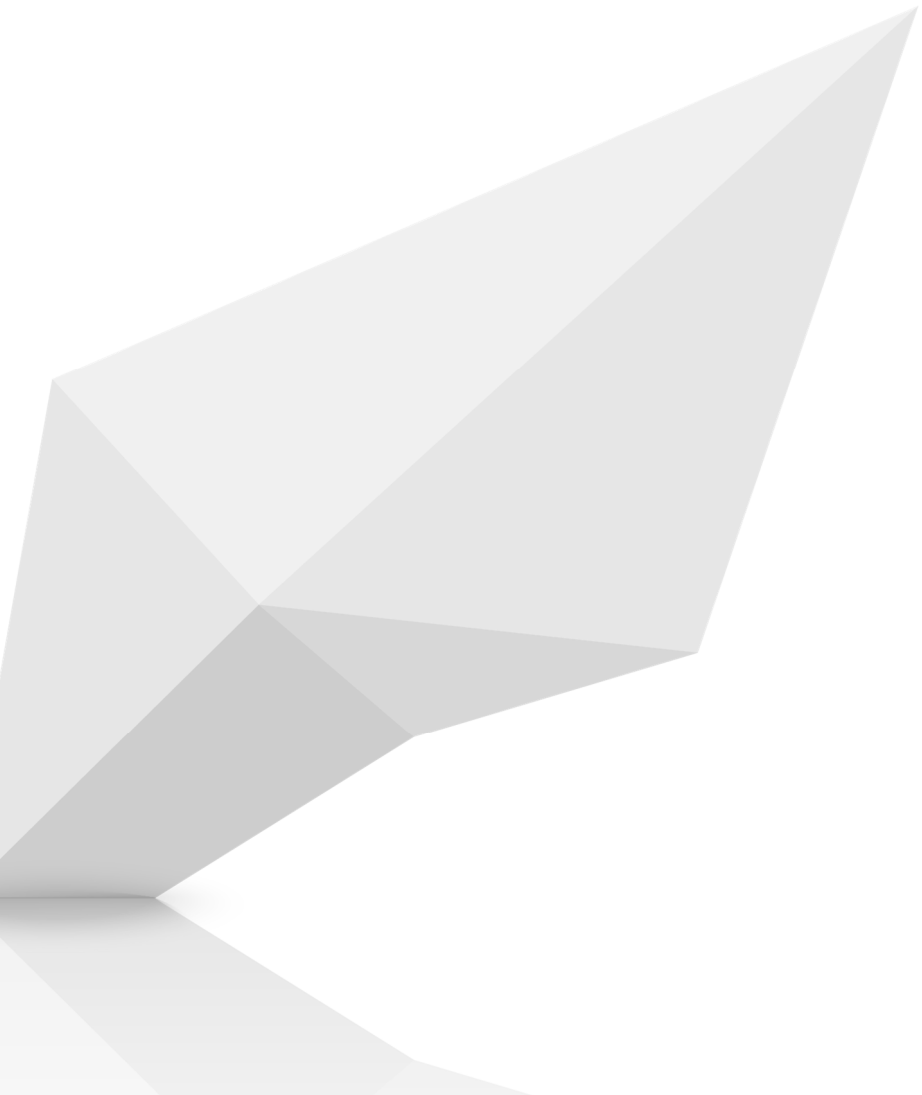
City of Basalt, Idaho

Financial Statements and
Supplementary Information

Year Ended September 30, 2024



WIPFLI

City of Basalt, Idaho

Year Ended September 30, 2024

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WIPFLI

Independent Auditor's Report

Honorable Mayor and City Council
City of Basalt, Idaho
Basalt, Idaho

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the City of Basalt, Idaho (the "City"), 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 accompanying 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 Basalt, Idaho as of September 30, 2024, and 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 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 City of Basalt, 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 (GAAP), 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 City of Basalt, 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 Responsibility 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 of Basalt, 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 City of Basalt, 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.

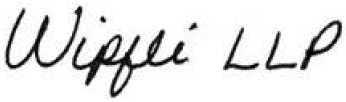
Required Supplementary Information

Accounting principles generally accepted in the United States of America require that budgetary comparison information, schedule of employer's share of net pension liability (asset) - PERSI base plan, and employer contributions - PERSI base plan, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the 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 financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

City of Basalt, Idaho has omitted a management's discussion and analysis that accounting principles generally accepted in the United States require to be presented to supplement the financial statements. Such missing information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. Our opinion on the 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 July 2, 2025 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of City of Basalt, Idaho's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Wipfli LLP

Idaho Falls, Idaho
July 2, 2025

Basic Financial Statements

City of Basalt, Idaho

Government-wide Statement of Net Position

September 30, 2024

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	$ 440,257	$ 649,172	$ 1,089,429
Receivables			
Property taxes	968	-	968
Intergovernmental	18,614	-	18,614
Service fees	3,339	19,856	23,195
Prepaids and other current assets	1,223	2,334	3,557
Internal balances	3,097	(3,097)	-
Restricted cash	-	40,406	40,406
Capital assets, net	18,482	1,734,994	1,753,476
Total assets	485,980	2,443,665	2,929,645
Deferred outflow of resources			
Related to pensions	5,818	-	5,818
Total deferred outflow of resources	5,818	-	5,818
Liabilities			
Current liabilities			
Accounts payable	9,449	1,695	11,144
Accrued salaries and benefits payable	6,481	2,600	9,081
Accrued interest payable	-	13,128	13,128
Customer deposits	-	4,000	4,000
Noncurrent liabilities:			
Pension liability	19,360	-	19,360
Due or payable within one year	-	50,677	50,677
Due or payable after one year	-	992,505	992,505
Total liabilities	35,290	1,064,605	1,099,895
Net position			
Net investment in capital assets	18,482	691,812	710,294
Restricted	-	40,406	40,406
Unrestricted	438,026	646,842	1,084,868
Total net position	$ 456,508	$ 1,379,060	$ 1,835,568

The accompanying notes are an integral part of this statement.

City of Basalt, Idaho

Statement of Activities

Year Ended September 30, 2024

		Program Revenues		Primary Government Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:						
General government	$ 127,219	$ 37,661	$ -	$ (89,558)	$ -	$ (89,558)
Highway and streets	364	-	35,247	34,883	-	34,883
Depreciation	2,128	-	-	(2,128)	-	2,128
Total governmental activities	129,711	37,661	35,247	(56,803)	-	(56,803)
Business-type activities:						
Water	93,931	83,228	-	-	(10,703)	(10,703)
Sewer	73,918	90,181	-	-	16,263	16,263
Total business-type activities	167,849	173,409	-	-	5,560	5,560
Total primary government	$ 297,560	$ 211,070	$ 35,247	(56,803)	5,560	51,243
General revenue						
Property taxes				20,883	-	20,883
Other revenue				464	-	464
Intergovernmental revenues				57,580	-	57,580
Earnings on investment				8,907	10,200	19,107
Federal grants				32,758	-	32,758
Transfers in and (out)				(20,000)	20,000	-
Total general revenues and transfers				100,592	30,200	130,792
Change in net position				43,789	35,760	79,549
Net position, beginning of year, as originally stated				357,719	1,343,300	1,701,019
Prior period adjustment - correction of error				55,000	-	55,000
Net position, beginning of year, as restated				412,719	1,343,300	1,756,019
Net position, ending				$ 456,508	$ 1,379,060	$ 1,835,568

The accompanying notes are an integral part of this statement.

City of Basalt, Idaho

Balance Sheet - Governmental Fund

September 30, 2024

September 30, 2024		General Fund
Assets		
Cash and cash equivalents	$	440,257
Receivables		
Property taxes		968
Intergovernmental		18,614
Service fees		3,339
Interfund receivable		3,097
Prepaids and other current assets		1,223
Total assets	$	467,498
Liabilities		
Accounts payable	$	9,449
Accrued salaries and benefits		6,481
Total liabilities		15,930
Deferred inflows of resources		
Unavailable revenues		960
Total deferred inflow of resources		960
Fund balance		
Nonspendable		1,223
Unassigned		449,385
Total fund balance		450,608
Total liabilities, deferred inflows of resources, and fund balance	$	467,498

The accompanying notes are an integral part of this statement.

City of Basalt, Idaho

Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position

September 30, 2024

Total fund balance - governmental fund	$	450,608
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets is $70,750 and the accumulated depreciation is $52,268.		18,482
The net pension liability (asset) and the deferred outflows of resources and deferred inflows of resources related to pensions are only reported in the Statement of Net Position.		(13,542)
Property taxes receivable will be collected this year but are not available soon enough to pay for the current period's expenditures and, therefore are unearned in the funds.		960
Net position - governmental activities	$	456,508

The accompanying notes are an integral part of this statement.

City of Basalt, Idaho

Statement of Revenues, Expenditures and Changes In Fund Balance - Governmental Fund

Year Ended September 30, 2024

	General Fund
Revenues	
Property taxes	$ 20,706
Intergovernmental revenue	92,827
Federal grants	32,758
Service fees	37,661
Interest earnings	8,907
Other revenue	464
Total revenues	193,323
Expenditures	
General Government	
Building Maintenance	1,011
Equipment maintenance	8,749
Fuel & Oil	4,542
Gas	633
Insurance	2,139
Electrical	2,984
Miscellaneous	2,976
Postage	1,416
Printing	216
Professional	17,814
Salaries and benefits	39,366
Solid Waste	31,529
Supplies	1,334
Telephone	4,171
Water and Sewer	1,152
Highways and Streets	
Street maintenance	1,386
Total expenditures	121,418
Revenues over (under) expenditures	71,905
Other financing sources and (uses)	
Transfers out	(20,000)
Net change in fund balance	51,905
Fund balance, beginning of year, as originally stated	343,703
Prior period adjustment - correction of error	55,000
Fund balance, beginning of year, as restated	398,703
Fund balance, end of year	$ 450,608

The accompanying notes are an integral part of this statement.

City of Basalt, Idaho

Reconciliation of the Statement of Revenues, Expenditures and Changes In Fund Balance of the Governmental Fund to the Statement of Activities

Year Ended September 30, 2024

Total Net change in fund balance - governmental fund	$	51,905
Amounts reported for governmental activities in the Statement of Activities are different due to 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 estimated useful lives as depreciation expense.		(2,128)
Because some property taxes will not be collected until after the City's fiscal year ends, they are not considered "available" revenues in the governmental funds. Unavaible tax revenues changed by this amunt this year.		177
The pension benefits are reported in the governmental funds when paid but in the Statement of Activities when earned.		(6,165)
Total change in net position - governmental activities	$	43,789

The accompanying notes are an integral part of this statement.

City of Basalt, Idaho

Statement of Net Position - Proprietary Funds

September 30, 2024	Business-Type Activities Water Fund	Sewer Fund	Total
Assets			
Cash and cash equivalents	$ 107,864	$ 541,308	$ 649,172
Receivables			
Service Fees	11,095	8,761	19,856
Prepaids and other current assets	1,167	1,167	2,334
Interfund receivable	-	6,850	6,850
Restricted cash	40,406	-	40,406
Capital assets, net of accumulated depreciation	302,718	1,432,276	1,734,994
Total assets	$ 463,250	$ 1,990,362	$ 2,453,612
Liabilities			
Current liabilities			
Accounts Payable	$ 1,434	$ 261	$ 1,695
Interfund payable	9,947	-	9,947
Accrued salaries and benefits payable	1,300	1,300	2,600
Accrued interest payable	7,470	5,658	13,128
Customer deposits	4,000	-	4,000
Current portion of bond/DEQ loan payable	23,129	27,548	50,677
Total current liabilities	47,280	34,767	82,047
Non-current liabilities			
Bond/DEQ loan payable, net of current portion	164,900	827,605	992,505
Total liabilities	212,180	862,372	1,074,552
Net position			
Net Investment in capital assets	114,689	577,123	691,812
Restricted	40,406	-	40,406
Unrestricted	95,975	550,867	646,842
Total net position	$ 251,070	$ 1,127,990	$ 1,379,060

The accompanying notes are an integral part of this statement.

City of Basalt, Idaho

Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds

Year Ended September 30, 2024	Business-Type Activities		
	Water Fund	**Sewer Fund**	**Total**
Operating revenues			
Charges for services	$ 83,053	$ 88,181	$ 171,234
Miscellaneous	175	2,000	2,175
Total operating revenues	83,228	90,181	173,409
Operating expenses			
Salaries and benefits	8,550	-	8,550
Electrical	14,190	732	14,922
Supplies	595	-	595
Gas	1,447	491	1,938
Maintenance	3,151	7,461	10,612
Professional	9,225	14,669	23,894
Insurance	2,139	2,139	4,278
Miscellaneous	3,469	1,021	4,490
Depreciation	41,507	32,220	73,727
Total operating expenses	84,273	58,733	143,006
Operating income (loss)	(1,045)	31,448	30,403
Non-operating revenues (expenses)			
Interest revenue	518	9,682	10,200
Interest expense	(9,658)	(15,185)	(24,843)
Total non-operating revenues (expenses)	(9,140)	(5,503)	(14,643)
Income before transfers	(10,185)	25,945	15,760
Transfers			
Interfund transfer in	20,000	-	20,000
Change in net position	9,815	25,945	35,760
Net position, beginning of year	241,255	1,102,045	1,343,300
Net position, end of year	$ 251,070	$ 1,127,990	$ 1,379,060

The accompanying notes are an integral part of this statement.

City of Basalt, Idaho

Statement of Cash Flows - Proprietary Funds

Year Ended September 30, 2024	Business-Type Activities Water Fund	Sewer Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	$ 78,594	$ 91,819	$ 170,413
Cash payments to suppliers for goods and services	(31,875)	(11,975)	(43,850)
Cash payments to employees for services	(8,550)	(13,369)	(21,919)
Net cash from operating activities	38,169	66,475	104,644
CASH FLOWS FROM INVESTING ACTIVITIES:			
Cash used for purchase of property	(12,843)	-	(12,843)
Cash transferred in from general fund	20,000	-	20,000
Cash received from interest income	518	9,682	10,200
Net cash flows from investing activities	7,675	9,682	17,357
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:			
Change in interfund balance	(11,996)	8,358	(3,638)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Cash payments for interest	(10,504)	(15,197)	(25,701)
Principal payments on long-term debt	(22,026)	(27,200)	(49,226)
Net cash flows from capital and related financing activities	(32,530)	(42,397)	(74,927)
Net increase in cash and cash equivalents	1,318	42,118	43,436
Cash and cash equivalents at beginning of year	146,952	499,189	646,141
Cash and cash equivalents at end of year	$ 148,270	$ 541,308	$ 689,578
Reconciliation of Cash and Restricted Cash:			
Cash and cash equivalents	$ 107,864	$ 541,308	$ 649,172
Restricted cash	40,406	-	40,406
Cash and cash equivalents at end of year	$ 148,270	$ 541,308	$ 689,578

The accompanying notes are an integral part of this statement.

City of Basalt, Idaho

Statement of Cash Flows - Proprietary Fund (Continued)

Year Ended September 30, 2024	Business-Type Activities		
	Water Fund	**Sewer Fund**	**Total**
RECONCILIATION OF INCOME FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES:			
Income (loss) from operations	$ (1,045)	$ 31,448	$ 30,403
ADJUSTMENT TO RECONCILE OPERATING INCOME TO NET CASH FROM OPERATING ACTIVITIES:			
Depreciation	41,507	32,220	73,727
Decrease (increase) in accounts receivable	(4,634)	1,638	(2,996)
Increase (decrease) in accounts payable	1,236	64	1,300
Increase (decrease) in accrued salaries	-	1,300	1,300
Increase (decrease) in customer deposits	-	-	440
Increase (decrease) in prepaids	1,105	(195)	910
Net cash from operating activities	$ 38,169	$ 66,475	$ 104,644

The accompanying notes are an integral part of this statement.

Note 1: Summary of Significant Accounting Policies

The following is a summary of significant accounting policies followed in the preparation of these financial statements:

General

The City of Basalt, Idaho (the City) is a municipal corporation governed by an elected mayor and four-member council. The financial statements listed in the table of contents have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles and policies utilized by the City are described below:

Reporting Entity

In evaluating how to define the City of Basalt, Idaho, (the City) for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in generally accepted accounting principles. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. The other criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the City is able to exercise oversight responsibilities. Based upon the application of these criteria, it was determined that no component units exist which should be included in the City’s financial statements.

Basis of Presentation

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the City. The effect of interfund activity within the governmental and business-type activities columns has been removed from these statements. Government activities, which generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges for external customer support.

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the government’s enterprise funds. Separate financial statements are provided for governmental funds and proprietary funds.

The Statement of Net Position presents the reporting entity’s assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position (net investment in capital assets; restricted net position; or unrestricted net position). Net investment in capital assets consists of capital assets, net of accumulated depreciation, and reduced by outstanding debt. Restricted net position results when constraints placed on net position use are imposed by third parties, through constitutional provisions, or enabling legislation.

Note 1: Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

Expense allocation decisions are made on a program-by-program basis when both restricted and unrestricted net position is available. Restricted net position will fluctuate as related accounting transactions occur. Unrestricted net position consists of net position that does not meet the definition of the two preceding categories. Unrestricted net position may have constraints or designations placed upon them by management, but they can be unilaterally removed.

The Statement of Activities demonstrates the degree to which the direct expenses of governmental functions and business-type activities, and component units are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function, activity, or component unit, and (2) operating and capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported as general revenues.

Fund Financial Statements

The City's fund financial statements provide information about the government'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. All remaining governmental and enterprise funds are aggregated and reported as non-major funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

Governmental Fund Types

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds focus is on the sources, uses, and balance of current financial resources.

The City has presented the following major governmental fund:

General Fund – The General Fund is the general operating fund of the City. This fund is used to account for all financial resources not accounted for in another fund. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges, and capital improvement costs that are not paid through other funds are paid from the General Fund.

Proprietary Fund Types

Proprietary funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determinations of net income, financial position, and cash flow. All assets and liabilities are included on the Statement of Net Position.

Note 1: Summary of Significant Accounting Policies (Continued)

Fund Financial Statements (Continued)

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for the proprietary funds include the cost of personal and contractual services, supplies, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The City has presented the following major proprietary funds:

Water Fund - The principal operating revenues of the City's Water Fund are for the provision of water services to the residents of the City. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets.

Sewer Fund - The principal operating revenues of the City's Sewer Fund are for the provision of sewer services to the residents of the City. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets.

During the course of operations, the City has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

Measurement Focus and Basis of Accounting

The City follows GASB Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments. This statement is meant to present the information in a format more closely resembling that of the private sector and to provide the user with more managerial analysis regarding the financial results and the City's financial outlook. The City has elected not to include a Management's Discussion and Analysis at September 30, 2024.

Note 1: Summary of Significant Accounting Policies (Continued)

Measurement Focus and Basis of Accounting (Continued)

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows, including unbilled water and sewer services, which are accrued. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting.

Budgets

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the General Fund. All annual appropriations lapse at fiscal year end. The budget may be amended after a required public hearing is conducted. Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrances have not been accounted for by the City.

Note 1: Summary of Significant Accounting Policies (Continued)

Cash and cash equivalents

Cash includes amounts in demand deposit accounts as well as certificates of deposit with original maturities of three months or less. State statutes authorize the City to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, and repurchase agreements. The City has elected to deposit cash in excess of immediate needs into the State Investment Pool. All other cash is deposited with local banks in checking, savings, or certificate of deposit accounts.

Fair Value Measurements

The City categorized its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The City has no investments or other assets subject to fair value measurements.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. All capital assets are valued at historical cost or estimated historical cost if actual historical information is not available. Capital assets are defined by the City as assets with an initial, individual cost of more than $5,000 and an initial useful life of one year or greater. Donated capital assets are recorded at estimated acquisition value at the date of donation. Renewals and betterments are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

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

	Years
Buildings	30
Equipment	7-15
Infrastructure	30-65

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section of deferred outflows of resources. This separate financial statement element, *deferred outflows of resources,* represents a consumption of net position that applies to a future period[s] and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has one item that qualifies for reporting in this category and it occurs on the government-wide statement of net position.

The City reports deferred outflows of resources related to pensions for its proportionate shares of collective deferred outflows of resources related to pensions and City contributions to pension plans subsequent to the measurement date of the collective net pension liability (asset).

In addition to liabilities, the Statement of Financial Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Note 1: Summary of Significant Accounting Policies (Continued)

Deferred Outflows/Inflows of Resources (Continued)

The City has one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available. The City also reports deferred inflows of resources for its proportionate share of the collective deferred inflows of resources related to pensions in the government-wide Statement of Net Position.

Lease-related amounts are recognized at the inception of leases in which the City is the lessor. The deferred inflow of resources is recorded in an amount equal to the corresponding lease receivable plus certain additional amounts received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The inflow of resources is recognized in a systematic and rational manner of the term of the lease.

Lease Accounting

At times, the City may enter into noncancelable leases. If the contract provides the City the right to substantially all the economic benefits and the right to direct the use of the identified asset, it is considered to be or contain a lease. Right-of-use (ROU) assets and lease liabilities are recognized at the lease commencement date based on the present value of the future lease payments over the expected lease term. The ROU asset is also adjusted for any lease prepayments made, lease incentives received, and initial direct costs incurred.

The lease liability is initially and subsequently recognized based on the present value of its future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or a rate. Increases (decreases) to variable lease payments due to subsequent changes in an index or rate are recorded as variable lease expense (income) in the future period in which they are incurred.

The discount rate used is the implicit rate in the lease contract, if it is readily determinable, or the City's incremental borrowing rate. The implicit rates of the District's leases are not readily determinable and accordingly, the City has elected to use the State's Diversified Bond Fund (DBF) portfolio rate. This rate is used to calculate the present value of future lease payments. This rate is an alternative investment rate for other than short-term investments and is materially the same as the rate the City might incur from an external lender.

The ROU asset for operating leases is subsequently measured throughout the lease term at the amount of the remeasured lease liability (i.e., present value of the remaining lease payments), plus unamortized initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received, and any impairment recognized. The ROU asset for finance leases is amortized on a straight-line basis over the lease term. For all underlying classes of assets, the City has elected to not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less at lease commencement and do not include an option to purchase the underlying asset that the City is reasonably certain to exercise. Leases containing termination clauses in which either party may terminate the lease without cause and the notice period is less than 12 months are deemed short-term leases with lease costs included in short-term lease expense. The City recognizes short-term lease cost on a straight-line basis over the lease term. As of September 30, 2024, the City had no non-cancelable leases.

Note 1: Summary of Significant Accounting Policies (Continued)

Net Position

In the financial statements net position is classified and displayed in three categories:

- *Net investment in capital assets* - consists of capital assets net of accumulated depreciation and related debt, if applicable.
- *Restricted net position* - consists of amounts not accessible for general use because of constraints placed on their usage.
- *Unrestricted net position* - consists of the residual of amounts not classified in the other two categories with no constraints placed on their use.

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

Fund Balances

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

Restricted fund balance: This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance: These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the City Council – the City's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the City Council removes the specified use by taking the same type of action that imposed the original commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned fund balance: This classification reflects the amounts constrained by the City's "intent" to be used for specific purposes, but the amounts are neither restricted nor committed. The City Council has the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned fund balance: This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the City's policy to use externally restricted resources first, then unrestricted resources – committed, assigned, and unassigned – in order as needed.

Note 1: Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents

For purposes of the statement of cash flows, the proprietary fund type considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Property Taxes

Taxes are levied on the second Monday in September and are payable in two installments on December 20 and June 20 of the following year. Property taxes attach as an enforceable lien on property as of the second Monday in January. The City receives remittances from the County on a monthly basis. The City's property tax revenues are recognized when they become available.

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.

Risk Management

The City is exposed to a considerable number of risks of loss, including: (a) damage to and loss of property and contents; (b) employee torts; (c) professional liability, i.e. errors and omissions; (d) environmental damage; (e) workers' compensation, i.e. employee injuries; and (f) medical insurance costs of employees. Commercial policies, transferring the risks of loss, except for relatively small deductible amounts, are purchased for property and content damage, employee torts, and professional liabilities. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Use of Estimates

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

Recent GASB Pronouncements

During the fiscal year ended September 30, 2024, the City implemented the following GASB Pronouncements:

GASB Statement No. 100, Accounting Changes and Error Corrections: Issued June 2022, the objective of this statement is to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This statement is effective for the fiscal years beginning after June 15, 2023.

Note 1: Summary of Significant Accounting Policies (Continued)

Recent GASB Pronouncements (Continued)

The following GASB pronouncements have been issued, but are effective in the future:

GASB Statement No. 101, Compensated Absences: Issued June 2022, the objective of this statement is to update the recognition and measurement guidance for compensated absences to better meet the information needs of financial statement users. This statement is effective for the fiscal years beginning after December 15, 2023.

GASB Statement No. 102, Certain Risk Disclosures: Issued December 2023, the objective of this statement is to provide financial statement users with essential information about risks related to government's vulnerabilities due to certain concentrations or constraints. This statement is effective for the fiscal years beginning after June 15, 2024.

Subsequent Events

The City has evaluated subsequent events through July 2, 2025, which is the date the financial statements were available to be issued. There are no subsequent type events identified by the City that are required to be disclosed.

Note 2: Cash and cash equivalents

At September 30, 2024, the carrying amount of the City's deposits was $1,129,835 including cash equivalents of:

Deposit and investment type		Cost	Weighted average Maturity
State Treasurer's Investment Pool	$	289,683	133 days
Total	$	289,683	

Interest rate risk - The City manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio.

Credit risk - The City's deposits and investments at year end are limited to the State Treasurer Investment Pool and bank/credit union deposits located in Idaho. The City has reduced its concentration of credit risk by using several financial institutions. There is not a formal policy as of September 30, 2024, as to a limit with any one investment or financial institution.

Custodial credit risk - In the case of deposits, this 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, $455,001 of the City's deposits and certificates of deposit was exposed to custodial credit risk because it was uninsured and uncollateralized.

Of the deposits and investments, $289,683 were held in the State Treasurer's investment pool for which information necessary to determine the level of collateralization or credit quality rating for the Local Government Investment Pool (LGIP) was unavailable.

Note 2: Cash and Investments (Continued)

The City has elected to invest in the LGIP through the Idaho State Treasurer. The Idaho State Treasurer provides oversight for investments by or through any department or institute of the State of Idaho.

Amounts held by the LGIP were held in the following investments: government agency notes, commercial paper, corporate bonds, money markets, U.S. treasury notes, Idaho repurchase agreements, and purchased accrued interest. All investments for the LGIP are collateralized with securities held by the LGIP's safekeeping agent in the LGIP's name. The investments held by the LGIP are carried at cost, which is not materially different than fair value (determined by the Idaho State Treasurer's office). These investments are subject to risk from market and interest rate fluctuations.

Note 3: Excess of Expenditures Over Budget

The Water Fund had total expenditures in excess of budget of $1,631.

Note 4: Capital Assets

Governmental Activities	Balance 10/1/2023	Additions	Transfers/ Deletions	Balance 09/30/24
Capital assets being depreciated				
Buildings	$ 50,750	$ -	$ -	$ 50,750
Equipment	20,000	-	-	20,000
Accumulated depreciation	(50,140)	(2,128)	-	(52,268)
Governmental activities capital assets being depreciated, net	$ 20,610	$ (2,128)	$ -	$ 18,482
Business-type activities				
Capital assets not being depreciated:				
Land	$ 25,276	$ -	$ -	$ 25,276
Capital assets being depreciated:				
Building	15,468	-	-	15,468
Infrastructure	2,968,290	-	-	2,968,290
Equipment	271,402	12,843	-	284,245
Total capital assets being depreciated	3,255,160	12,843	-	3,268,003
Less accumulated depreciation:	(1,484,558)	(73,727)	-	(1,558,285)
Business-type activities capital assets, net	$ 1,795,878	$ (60,884)	$ -	$ 1,734,994

Depreciation expense was charged to current function of the primary government as follows:

Governmental Activities	
General Government	$ 2,128
Total Governmental Activities	2,128

Note 4: Capital Assets (Continued)

Business-type Activities		
Water	$	41,507
Sewer		32,220
Total Business-Type Activities	$	73,727

Note 5: Pension Plan and Benefits

Plan Description

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

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

Pension Benefits

The Base Plan provides retirement, disability, death, and survivor benefits to 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.

Note 5: Pension Plan and Benefits (Continued)

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 employees and 9.83% for public safety. The employer contribution rate is set by the Retirement Board and was 11.18% for general employees and 13.26% for police and firefighters. The City's contributions were $2,836 for the year ended September 30, 2024.

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

At September 30, 2024, the City reported a liability (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 used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability (asset) was based on the City's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2024, the City's proportion was .0005176 percent.

For the year ended September 30, 2024, the City recognized pension expense of $5,569. At September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 3,083	$ -
Changes in assumptions or other inputs	767	-
Net difference between projected and actual earnings on pension plan investments	(351)	-
City contributions subsequent to the measurement date	2,319	-
Total	$ 5,818	$ -

$2,319 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 years for the measurement period June 30, 2024.

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

Year Ended June 30:	
2025	$ 956
2026	3,610
2027	(623)
2028	(444)

Note 5: Pension Plan and Benefits (Continued)

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, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.30%
Salary increases including inflation	3.05%
Salary inflation	3.05%
Investment rate of return	6.35%, net of investment expenses
Cost-of-living adjustments	1%

Contributing Members, Service Retirement Members, and Beneficiaries
General Employees and All Beneficiaries - Males Pub-2010 General Tables, increased 11%.
General Employees and All Beneficiaries - Females Pub-2010 General Tables, increased 21%.
Teachers - Males Pub-2010 Teacher Tables, increased 12%.
Teachers - Females Pub-2010 Teacher Tables, increased 21%.
Fire & Police - Males Pub-2010 Safety Tables, increased 21%.
Fire & Police - Females Pub-2010 Safety Tables, increased 26%.
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 other than 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 rates or 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.

Note 5: Pension Plan and Benefits (Continued)

Asset Class	DB Plans	Sick leave
Fixed Income	30.00 %	50.00 %
US/ Global equity	55.00 %	39.30 %
International Equity	15.00 %	10.70 %
Cash	- %	- %
Total	100.00 %	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 period 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)	$ 36,794	$ 19,360	$ 5,125

Pension plan fiduciary net position

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

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

Payables to the pension plan

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

Note 6: Restricted Net Position

Enterprise Fund. The 2000 Water Revenue Bond Issue requires that deposits equal to 1/10 of the annual principal and interest be deposited in a reserve account annually. As of September 30, 2024, the reserve amounted to $40,406, which meets the requirements and is shows as restricted cash on the financial statements. The City has also elected to set up a reserve account for the bond principal and interest payments. The balance in that account was $40,286 at September 30, 2024. The restricted balance due to outside restrictions is $40,406 as reflected on the Government-wide Statement of Net Position and Statement of Net Position for Proprietary funds.

Note 7: Changes in Long-Term Debt

The changes in long-term debt for the year ended September 30, 2024 are as follows:

	September 30, 2023	Additions	Payments made/forgiven	September 30, 2024
Water revenue bond	$ 210,056	$ -	$ 22,026	$ 188,030
DEQ Loan	882,352	-	27,199	855,152
Total	$ 1,092,408	$ -	$ 49,225	$ 1,043,182

Note 8: Water Revenue Bond Payable and DEQ Loan

The bonded debt in the water fund at September 30, 2024, is comprised of the following:

Water Revenue Bond, Series 2000, due in annual installments of $32,530 through December 14, 2030, with interest accruing at 5%	$ 188,030
Less current installments	23,129
Non current portion	$ 164,901

The DEQ loan in the sewer fund at September 30, 2024, is comprised of the following:

DEQ loan of $986,000 due in semi-annual payment of $21,198 for 30 years through May 15, 2049 with interest accruing at 1.75%	$ 855,152
Less current installments	27,548
Non current portion	$ 827,604

Future debt service requirements to maturity at September 30, 2024, are as follows:

Year Ended September 30,	Principal	Interest	Total
2025	$ 50,677	$ 24,248	$ 74,925
2026	52,318	22,607	74,925
2027	54,025	20,901	74,926
2028	55,765	19,160	74,925
2029	57,649	17,276	74,925
2030-2034	215,850	60,901	276,751
2035-2039	169,794	42,182	211,976
2040-2044	185,246	26,730	211,976
2045-2049	201,858	9,841	211,699
	$ 1,043,182	$ 243,846	$ 1,287,028

Note 9: Interfund Receivables and Payables

During the course of its operations, the City had numerous transactions between funds to finance operations, provide services, construct assets, and service debt. To the extent that certain transactions between funds had not been paid or received as of September 30, 2024, balances of interfund amounts receivable or payable have been recorded as follows:

	Receivable	Payable
General Fund	$ 3,097	$ -
Water Fund	-	9,947
Sewer Fund	6,850	-
Total	$ 9,947	$ 9,947

Note 10: Commitments and Contingencies

The City has an agreement with the City of Firth for wastewater treatment that continues through September 30, 2024. The City of Basalt pays the City of Firth a monthly sewage treatment charge for non-industrial waste based upon the total volume of Basalt sewage entering the Firth sewer system.

Note 11: Adjustments to and Restatements of Beginning Balances

During 2024, an error correction resulted in adjustments to and restatements of beginning net position and fund net position, as follows:

	9/30/2023 As Previously Reported	Error Correction (A)	9/30/2023 As Restated
Government-Wide			
Governmental activities	$ 357,719	$ 55,000	$ 412,719
Government-Wide			
Major funds:			
General fund	$ 343,703	$ 55,000	$ 398,703

(A) ARPA funding spent in the year ended September 30, 2023 was not recognized as revenue.

Required Supplemental Information

City of Basalt, Idaho

Statement of Revenues, Expenditures and Changes In Fund Balance

-Budget to Actual -

General Fund

For the Year Ended September 30, 2024

	General Fund		
	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Property taxes	$ 20,500	$ 20,706	$ 206
Intergovernmental revenue	89,325	92,827	3,502
Federal grants	-	32,758	32,758
Service fees	37,000	37,661	661
Interest earnings	5,500	8,907	3,407
Other revenue	-	464	464
Total revenues	152,325	193,323	40,998
EXPENDITURES			
Building Maintenance	8,272	1,011	7,261
Capital outlay	1,000	1,022	(22)
Equipment maintenance	15,105	8,749	6,356
Fuel & Oil	2,500	4,542	(2,042)
Gas	920	633	287
Insurance	5,900	2,139	3,761
Electrical	3,300	2,984	316
Miscellaneous Expenses	5,600	2,976	2,624
Postage	1,100	1,416	(316)
Printing	1,000	216	784
Professional	20,100	17,814	2,286
Salaries and benefits	43,000	39,366	3,634
Solid Waste	31,332	31,529	(197)
Street maintenance	17,000	364	16,636
Supplies	1,300	1,334	(34)
Telephone	3,900	4,171	(271)
Water and Sewer	996	1,152	(156)
Total expenditures	162,325	121,418	40,907
Revenue over (under) expenditures	$ (10,000)	71,905	$ 81,905
OTHER FINANCING SOURCES (USES)			
Transfers (out)		(20,000)	
Net change in fund balance		51,905	
Fund balance, beginning of year, as originally stated		343,703	
Prior period adjustment		55,000	
Fund balance, beginning of year, as restated		398,703	
Fund balance, end of year		$ 450,608	

See Independent Auditor's Report.

City of Basalt, Idaho

Schedule of Employer's Share of Net Pension Liability

PERSI - Base Plan Last 10 Fiscal Years*

Determined as of the Measurement Date

	2024	2023	2022	2021	2020
Employer's proportion of the net pension liability (asset)	0.0005176 %	0.0003091 %	0.0003551 %	0.0003703 %	0.0003648 %
Employer's proportionate share of the net pension liability (asset)	19,360	12,333	13,987	(292)	8,471
Employer's covered payroll	40,333	13,891	13,217	13,570	21,262
Employer's proportional share of the net pension liability (asset) as a percentage of its covered payroll	48.00 %	88.78 %	105.83 %	(2.15)%	39.84 %
Plan fiduciary net position as a percentage of the total pension liability (asset)	83.83 %	83.83 %	83.09 %	100.36 %	88.22 %

	2019	2018	2017	2016
Employer's proportion of the net pension liability (asset)	0.0003334 %	0.0003480 %	0.0006294 %	0.000520 %
Employer's proportionate share of the net pension liability (asset)	3,806	5,133	9,893	10,549
Employer's covered payroll	11,325	11,193	19,549	15,221
Employer's proportional share of the net pension liability (asset) as a percentage of its covered payroll	33.61 %	45.86 %	50.61 %	69.31
Plan fiduciary net position as a percentage of the total pension liability (asset)	93.79 %	91.69 %	90.68 %	87.26 %

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

Data reported is measured as of June 30, 2024 (measurement date)

See Independent Auditor's Report

City of Basalt, Idaho

Schedule of Employer Contributions

PERSI - Base Plan Last 10 Fiscal Years*

Determined as of the Reporting Date

	2024	2023	2022	2021	2020
Statutorily required contribution	1,615	1,615	1,578	1,551	2,462
Contributions in relation to the statutorily required contributions	1,615	1,615	1,578	1,551	2,458
Contribution deficiency (excess)	0	0	0	0	4
Employer's covered payroll	13,891	13,891	13,217	12,991	20,622
Contributions as a percent of covered payroll	11.63 %	11.63 %	11.94 %	11.94 %	11.92 %

	2019	2018	2017	2016
Statutorily required contribution	1,316	1,267	1,991	2,806
Contributions in Relation to the Contractually Required Contributions	1,386	1,267	1,991	2,806
Contribution Deficiency (Excess)	(70)	0	0	2,016
City's covered payroll	11,625	11,193	17,586	24,788
Contributions as a percent of Covered Payroll	11.92 %	11.32 %	11.32 %	11.32 %

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

Data reported is measured as of September 30, 2024 (reporting date)

See Independent Auditor's Report

WIPFLI

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
City of Basalt, Idaho
Basalt, Idaho

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund of City of Basalt, 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 Basalt, Idaho's basic financial statements, and have issued our report thereon dated July 2, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Basalt, Idaho's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing an unmodified opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Basalt, Idaho's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Basalt, 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 reasonable possibility that a material misstatement of the City of Basalt, Idaho's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Basalt, 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 City of Basalt, Idaho'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 City of Basalt, Idaho's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Wipfli LLP

Wipfli LLP

Idaho Falls, Idaho
July 2, 2025