CITY OF BONNERS FERRY

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2024

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Independent Auditor's Report

To the Honorable Mayor and City Council
City of Bonners Ferry
Bonners Ferry, ID 83805

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Bonners Ferry, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City of Bonners Ferry's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Bonners Ferry as of September 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 required supplementary information, as noted in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the 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 part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting by 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 January 27, 2026, 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 the City'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.



Condie, Stoker & Brown
Rupert, Idaho
January 27, 2026

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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*

To the Honorable Mayor and City Council
City of Bonners Ferry
Bonner Ferry, ID 83805

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 *Governmental Auditing Standards* issued by the Comptroller General of the United States, the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Bonners Ferry as of and for the year ending September 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated January 27, 2026.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described below, that we consider to be material weaknesses.

Criteria: The City of Bonners Ferry's management is responsible for timely reconciling and reviewing bank statements and other vital accounts to ensure that everything is properly recorded and accounted for.

Condition: Account reconciliations were not performed and items were not properly accounted for throughout the fiscal year.

Cause: Lack of a formal process that includes a thorough review and analysis of all accounts throughout the year and fiscal year-end closing procedures.

Effect of Condition: The prior clerk had not been able to properly reconcile accounts and items were not properly accounted for. This resulted in a delay in closing the books and required a lot of additional work by external personnel to get the books ready for the financial statement audit.

Recommendation: Management of the City should implement a formal reconciliation and review process. This process should include monthly reconciliations, review, and analysis by the City Clerk/Treasurer. There also should be a thorough review of all accounts during the fiscal year-end closing process.

Response: The City of Bonners Ferry, along with the direction of their external certified public accountant, is working to set up a system that ensures all accounts are properly and timely reconciled and reviewed. They are also working to implement a thorough review and analysis of all accounts at year-end.

City of Bonners Ferry's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City of Bonners Ferry's response to the findings identified in our audit and described above. The City of Bonners Ferry's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City'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 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.

Condie, Stoker & Brown

Condie, Stoker & Brown
Rupert, Idaho
January 27, 2026

CITY OF BONNERS FERRY

STATEMENT OF NET POSITION
SEPTEMBER 30, 2024

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Bonners Ferry Urban Renewal Agency
Assets				
Current Assets:				
Cash and Cash Equivalents	803,968	7,750,245	8,554,213	101,989
Receivables, Net of Allowance	744,591	1,204,139	1,948,730	164,253
Prepaid Expenses	6,128	8,169	14,297	-
Interfund Receivable	156,409	5,632	162,041	-
Inventories	-	605,398	605,398	-
Restricted Assets:				
Cash and Cash Equivalents	123,079	207,967	331,046	85,251
Non Current Assets:				
Construction in Progress	-	784,489	784,489	-
Capital Assets, net of depreciation	4,546,451	23,659,692	28,206,143	-
Total Assets	6,380,626	34,225,731	40,606,357	351,493
Deferred Outflows of Resources From Pensions	181,601	281,919	463,520	-
Liabilities				
Current Liabilities:				
Accounts Payable	129,479	733,001	862,480	225
Accrued Payroll	50,055	96,759	146,814	-
Deposits	36,250	321,968	358,218	-
Accrued Interest	973	7,011	7,984	1,900
Interfund Payable	119,362	42,679	162,041	-
Deferred Revenue	16,124	-	16,124	-
Note Payments Due Within One Year	22,425	285,000	307,425	45,202
Non Current Liabilities:				
Note Payments Due Beyond One Year	47,605	5,501,405	5,549,010	305,090
Net Pension Liability	766,974	1,190,655	1,957,629	-
Accrued Compensated Absences	71,215	122,312	193,527	-
Total Liabilities	1,260,462	8,300,790	9,561,252	352,417
Deferred Inflows of Resources From Pensions	31,148	48,354	79,502	-
Unavailable Tax Revenue	-	-	-	136,893
Total Deferred Inflows of Resources	31,148	48,354	79,502	136,893
Net Position				
Net Investment in Capital Assets	4,476,421	17,873,287	22,349,708	-
Restricted for:				
Debt Service	-	207,967	207,967	112,441
DARE Program	123,079	-	123,079	
Unrestricted	671,117	8,077,252	8,748,369	(250,258)
Total Net Position	5,270,617	26,158,506	31,429,123	(137,817)

See accompanying notes to financial statements.

CITY OF BONNERS FERRY

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2024

FUNCTIONS/PROGRAMS:	Expenses	Program Revenues: Charges for Services and Sales	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Unit: Bonners Ferry Urban Renewal Agency
Primary Government:								
Governmental Activities								
General Government	924,005	156,992	229,261	-	(537,752)	-	(537,752)	-
Public Safety	1,153,075	73,253	96,957	-	(982,865)	-	(982,865)	-
Highways and Streets	508,344	3,441	-	-	(504,903)	-	(504,903)	-
Culture and Recreation	390,583	307,526	-	-	(83,057)	-	(83,057)	-
Community Development	95,963	-	16,400	-	(79,563)	-	(79,563)	-
Pension Expense	279,920	-	-	-	(279,920)	-	(279,920)	-
Total Governmental Activities	3,351,890	541,212	342,618	-	(2,468,060)	-	(2,468,060)	-
Business-type Activities:								
Electric	6,136,393	6,273,433	367,400	221,895	-	726,335	726,335	-
Water	1,340,091	1,504,548	-	69,524	-	233,981	233,981	-
Sewer	743,885	988,946	-	10,740	-	255,801	255,801	-
Garbage	149,701	156,837	-	-	-	7,136	7,136	-
Pension Expense	36,553	-	-	-	-	(36,553)	(36,553)	-
Total Business-type Activities	8,406,623	8,923,764	367,400	302,159	-	1,186,700	1,186,700	-
Total Primary Government	11,758,513	9,464,976	710,018	302,159	(2,468,060)	1,186,700	(1,281,360)	-
Component Unit								
Bonners Ferry Urban Renewal Agency	98,192	-	-	-	-	-	-	(98,192)
	98,192	-	-	-	-	-	-	(98,192)
General Revenues:								
Taxes Levied for General Fund					1,491,385	-	1,491,385	-
Property Taxes Increment Revenue					-	-	-	124,881
Intergovernmental					765,705	-	765,705	-
Sale of Assets					767	-	767	-
Investment Earnings					78,299	265,745	344,044	92
Miscellaneous					16,571	319,434	336,005	-
Total General Revenues					2,352,727	585,179	2,937,906	124,973
Change in Net Position					(115,333)	1,771,879	1,656,546	26,781
Net Position Beginning of Year					5,385,950	24,386,627	29,772,577	(164,598)
Net Position End of Year					5,270,617	26,158,506	31,429,123	(137,817)

See accompanying notes to financial statements.

CITY OF BONNERS FERRY

BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024

	General Fund
Assets	
Cash and Cash Equivalents	803,968
Restricted Cash	123,079
Accounts Receivable	
Property Taxes	28,356
Other	716,235
Due From Other Funds	156,409
Prepaid Expenses	6,128
Total Assets	1,834,175
Liabilities	
Accounts Payable	129,479
Accrued Payroll	50,055
Deposits	36,250
Deferred Revenue	16,124
Due to Other Funds	119,362
Total Liabilities	351,270
Deferred Inflows of Resources	
Unavailable Revenue-Property Taxes	21,662
Total Deferred Inflows of Resources	21,662
Fund Balances:	
Nonspendable Prepaid Expense	6,128
Restricted for DARE Program	123,079
Unassigned	1,332,036
Total Fund Balances	1,461,243
Total Liabilities, Deferred Inflows of Resources and Fund Balances	1,834,175

See accompanying notes to financial statements.

CITY OF BONNERS FERRY

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION SEPTEMBER 30, 2024

Total Fund Balance - Balance Sheet - Governmental Funds	1,461,243
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Property tax and other receivables collected beyond 60 days after year-end are not recorded as assets in the Governmental Funds Balance Sheet.	21,662
Governmental fund capital assets are not financial resources and therefore are not reported in the funds.	4,546,451
Net pension assets and liabilities as well as pension-related deferred outflows and deferred inflows of resources are recognized in the government-wide statements.	(616,521)
Long Term Debt is not payable in the current period and thus is not reported in Governmental Fund funds.	(70,030)
Accrued compensated absences are not reported in Governmental Funds.	(71,215)
Accrued Interest is not reported in Governmental Funds.	(973)
Total Net Position - Statement of Net Position	5,270,617

See accompanying notes to financial statements.

CITY OF BONNERS FERRY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS FOR THE YEAR ENDED SEPTEMBER 30, 2024

	General Fund
Revenues	
Property Taxes	1,492,250
Licenses and Permits	161,441
Intergovernmental Revenue	765,705
Charges for Services	329,676
Fines and Forfeitures	50,095
DARE Revenues	65,260
Interest	78,299
Miscellaneous Grants	260,958
Miscellaneous Revenues	33,738
Total Revenues	3,237,422
Expenditures	
Salaries and Wages	989,085
Payroll Expenses and Benefits	632,432
General Government	238,964
Public Safety	245,480
Highways and Streets	183,091
Culture and Recreation	278,589
Community Development	14,925
Capital Outlay	343,559
Total Expenditures	2,926,125
Excess (Deficit) Revenues Over Expenditures	311,297
Fund Balance at Beginning of Year	1,149,946
Fund Balance at End of Year	1,461,243

See accompanying notes to financial statements.

CITY OF BONNERS FERRY

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED SEPTEMBER 30, 2024

Excess Revenue over Expenditures - Total Governmental Funds	311,297
Amounts reported for governmental activities in the Statement of Activities are different because:	
Property tax revenues that are not received within sixty days after year end do not provide current financial resources and thus are not recorded as revenue in the Governmental Funds.	(865)
Governmental funds report capital outlays as current expenditures. In the Statement of Activities, the cost of capital assets exceeding $2,000 is allocated over their estimated useful lives as depreciation expense. The difference between these two methods of accounting for capital expenditures is:	343,559
This is the amount of current year depreciation.	(598,447)
This is the change to construction in process:	(13,444)
Changes in Long-term debt are reported as an income or expenditure in the Governmental funds, but changes long-term liabilities in the Statement of Net Assets. In the current year, this amount is related to capital lease payments.	21,610
Liability for accrued compensated absences is not recorded in the Governmental Funds. This is the change in leave during the year.	(16,769)
Pension System accrual changes are not recognized in the Governmental Funds	(163,701)
Change in Accrued Interest is not recognized in Governmental Funds	1,427
Change in Net Position of Governmental Activities	(115,333)

See accompanying notes to financial statements.

CITY OF BONNERS FERRY

STATEMENTS OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2024

	Electric Fund	Water Fund	Sewer Fund	Garbage Fund	Total
Assets					
Current Assets:					
Cash and Cash Equivalents	5,124,720	910,291	1,645,860	69,374	7,750,245
Accounts Receivable, net of allowance	814,886	241,337	122,963	24,953	1,204,139
Due From Other Funds	5,355	-	277	-	5,632
Prepaid Expenses	4,604	2,295	1,270	-	8,169
Inventories	399,195	172,268	33,935	-	605,398
Total Current Assets	6,348,760	1,326,191	1,804,305	94,327	9,573,583
Restricted Assets:					
Cash and Cash Equivalents	-	207,967	-	-	207,967
Non Current Assets:					
Construction in Progress	524,263	122,893	137,333	-	784,489
Capital Assets, net of depreciation	12,502,690	8,856,900	2,300,102	-	23,659,692
Total Restricted and Non Current Assets	13,026,953	9,187,760	2,437,435	-	24,652,148
Total Assets	19,375,713	10,513,951	4,241,740	94,327	34,225,731
Deferred Outflows of Resources	164,809	69,064	48,046	-	281,919

See accompanying notes to financial statements.

CITY OF BONNERS FERRY

STATEMENTS OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2024

	Electric Fund	Water Fund	Sewer Fund	Garbage Fund	Total
Liabilities					
Current Liabilities:					
Accounts Payable	602,718	57,144	60,631	12,508	733,001
Accrued Payroll	121,930	53,068	44,073	-	219,071
Deposits	314,591	5,577	1,800	-	321,968
Due to Other Funds	28,725	4,623	7,322	2,009	42,679
Accrued Interest	3,628	3,383	-	-	7,011
Current Portion of Revenue Bonds Payable	195,000	90,000	-	-	285,000
Total Current Liabilities	1,266,592	213,795	113,826	14,517	1,608,730
Non Current Liabilities:					
Net Pension Liability	696,058	291,679	202,918	-	1,190,655
Revenue Bonds Payable, Net of Bond Premium	3,470,050	2,031,355	-	-	5,501,405
Total Non Current Liabilities	4,166,108	2,323,034	202,918	-	6,692,060
Total Liabilities	5,432,700	2,536,829	316,744	14,517	8,300,790
Deferred Inflows of Resources	28,268	11,845	8,241	-	48,354
Net Position					
Net Investment in Capital Assets	9,361,903	6,858,438	2,437,435	-	18,657,776
Restricted for Debt Service	-	207,967	-	-	207,967
Unrestricted	4,717,651	967,936	1,527,366	79,810	7,292,763
Total Net Position	14,079,554	8,034,341	3,964,801	79,810	26,158,506

See accompanying notes to financial statements.

CITY OF BONNERS FERRY

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - PROPRIETARY FUNDS FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Electric Fund	Water Fund	Sewer Fund	Garbage Fund	Total
Operating Revenues					
Charges for Services	6,273,433	1,504,548	988,946	156,837	8,923,764
Total Revenues	6,273,433	1,504,548	988,946	156,837	8,923,764
Operating Expenses					
Salaries and Wages	838,212	373,311	253,186	-	1,464,709
Payroll Expenses and Benefits	457,696	241,500	175,858	-	875,054
Purchased Power	3,022,336	-	-	-	3,022,336
Production and Treatment	190,375	121,924	136,781	-	449,080
Transmission and Distribution	239,730	72,601	39,194	-	351,525
Collection	-	-	-	149,274	149,274
General and Administrative	582,315	95,451	63,467	410	741,643
Customer Accounting Expense	14,290	5,236	-	-	19,526
Bad Debt Expense	5,115	393	549	17	6,074
Depreciation	700,881	347,983	74,850	-	1,123,714
Pension Expense	2,400	37,383	(3,230)	-	36,553
Total Operating Expenses	6,053,350	1,295,782	740,655	149,701	8,239,488
Net Operating Income	220,083	208,766	248,291	7,136	684,276
Non-Operating Revenues (Expenses)					
Capitalization Fees	25,000	41,006	16,416	-	82,422
Capital Grants	367,400	-	-	-	367,400
Interest Income	163,078	36,137	66,530	-	265,745
Miscellaneous Revenue	234,024	2,529	459	-	237,012
Interest Expense	(85,443)	(81,692)	-	-	(167,135)
Total Non-Operating Revenues (Expenses)	704,059	(2,020)	83,405	-	785,444
Income Before Capital Contributions and Transfers	924,142	206,746	331,696	7,136	1,469,720
Capital Contributions	221,895	69,524	10,740	-	302,159
Change in Net Position	1,146,037	276,270	342,436	7,136	1,771,879
Fund Balance at Beginning of Year	12,933,517	7,758,071	3,622,365	72,674	24,386,627
Fund Balance at End of Year	14,079,554	8,034,341	3,964,801	79,810	26,158,506

See accompanying notes to financial statements.

CITY OF BONNERS FERRY

STATEMENTS OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Electric Fund	Water Fund	Sewer Fund	Garbage Fund	Total
Cash Flows From Operating Activities					
Receipts from customers and users	6,206,984	1,470,389	957,419	155,910	8,790,702
Payments to suppliers	(4,170,764)	(481,623)	(203,074)	(149,192)	(5,004,653)
Payments to employees	(1,277,108)	(601,414)	(424,538)	-	(2,303,060)
Net cash provided (used) by operating activities	759,112	387,352	329,807	6,718	1,482,989
Cash Flows From Noncapital Financing Activities					
Miscellaneous revenues	234,024	2,529	459	-	237,012
Capital grants	367,400	-	-	-	367,400
Net cash provided (used) by noncapital financing activities	601,424	2,529	459	-	604,412
Cash Flows From Capital and Related Financing Activities					
Payments for capital acquisitions	(692,148)	(329,571)	(635,905)	-	(1,657,624)
Repayments on bonds	(189,611)	(92,605)	-	-	(282,216)
Payments on advances to/from other funds	-	-	196,606	-	196,606
Interest paid	(85,701)	(81,869)	-	-	(167,570)
Capitalization fees	25,000	41,006	16,416	-	82,422
Net cash provided (used) by capital and related financing activities	(942,460)	(463,039)	(422,883)	-	(1,828,382)
Cash Flows From Investing Activities					
Interest income	163,078	36,137	66,530	-	265,745
Net cash provided (used) by capital and related financing activities	163,078	36,137	66,530	-	265,745
Net Increase (Decrease) in Cash and Equivalents	581,154	(37,021)	(26,087)	6,718	524,764
Cash and Equivalents at Beginning of Year	4,543,566	1,155,279	1,671,947	62,656	7,433,448
Cash and Equivalents at End of Year	5,124,720	1,118,258	1,645,860	69,374	7,958,212

See accompanying notes to financial statements.

CITY OF BONNERS FERRY

STATEMENTS OF CASH FLOWS (Cont.)
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Electric Fund	Water Fund	Sewer Fund	Garbage Fund	Total
Reconciliation of Excess of Revenue Over Expenses to Net Cash Flow From Operating Activities					
Net Operating Income	220,083	208,766	248,291	7,136	684,276
Adjustments to reconcile excess of revenue over expenses to net cash used in operating activities:					
Depreciation	700,881	347,983	74,850	-	1,123,714
(Increase) decrease in assets and deferred outflows of resources:					
Accounts Receivable	(132,698)	(26,372)	(31,614)	(927)	(191,611)
Due from other funds	(5,355)	-	9,079	-	3,724
Inventories	(165,084)	(6,034)	(3,953)	-	(175,071)
Deferred outflows of resources	188,672	55,978	57,496	-	302,146
Increase (decrease) in liabilities and deferred inflows of resources:					
Accounts payable	29,096	21,355	24,469	509	75,429
Accrued payroll liabilities	18,798	13,396	4,506	-	36,700
Net pension asset/liability	(205,377)	(27,198)	(66,232)	-	(298,807)
Deposits	66,249	(7,787)	87	-	58,549
Due to other funds	24,740	(201,339)	7,322	-	(169,277)
Deferred inflows of resources	19,107	8,604	5,506	-	33,217
Total adjustments	539,029	178,586	81,516	(418)	798,713
Net cash provided (used) by operating activities	759,112	387,352	329,807	6,718	1,482,989

See accompanying notes to financial statements.

CITY OF BONNERS FERRY

STATEMENT OF NET POSITION - FIDUCIARY FUNDS
SEPTEMBER 30, 2024

	Section 457 Custodial Funds	Section 125 Custodial Funds
Assets		
Cash and Cash Equivalents	376,661	7,282
Total Assets	376,661	7,282
Liabilities		
Due to General Fund	-	2,000
Total Liabilities	-	2,000
Net Position		
Restricted For:		
Employee Retirement	376,661	-
Employee Healthcare	-	5,282
	376,661	5,282

See accompanying notes to financial statements.

CITY OF BONNERS FERRY

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Financial Reporting Entity

The City's combined financial statements include the accounts of all City operations. The criteria for including organizations as component units within the City's reporting entity, as set forth in Section 2100 of the Governmental Accounting Standards Board's (GASB) Codification of Government Accounting and Financial Reporting Standards, include whether:

- the organization is legally separate (can sue and be sued in their own name).
- the City holds the corporate powers of the organization.
- the City appoints a voting majority of the organization's board.
- the City is able to impose its will on the organization.
- the organization has the potential to impose a financial benefit/burden on the City.
- there is fiscal dependency by the organization on the City.

The financial statements are formatted to allow the user to clearly distinguish between the primary government and its component units. Based on the aforementioned criteria, the City of Bonners Ferry has one discretely presented component unit.

The City of Bonners Ferry (the City) is a municipality of the State of Idaho. The City has oversight responsibility and control over all activities related to the City's functions. The City is not included in any other governmental "reporting entity" as defined in GASB pronouncements, since the public elects the City council members.

The accompanying financial statements include all aspects controlled by the City Council of the City of Bonners Ferry. Criteria for inclusion is determined by Governmental Accounting Standards Board Statement No. 61 (GASB No.61) which states, in general, that a legally separate organization for which the elected officials of the City are financially accountable for must be included in the City's financial statement as a component unit.

Under Idaho Code, in June 2011 the Bonners Ferry City Council passed an ordinance which created the Bonners Ferry Urban Renewal Agency (the Agency), a legally separate entity from the City. The Agency was established to promote urban development and improvement in blighted areas in and around the City. A board of five commissioners, which are appointed by the City Council, governs the Agency. The City Council has the ability to appoint, hire, reassign, or dismiss those persons having responsibility for the day- to-day operations of the Agency. These powers of the City meet the criteria for having financial accountability for the Agency. Based on the above, the Agency has been discretely presented in the accompanying financial statements of the City as a component unit. Separate statements for the Agency may be obtained from City Hall.

Payments between the City and Component Units

Resource flows (except those that affect the statement of net position, such as loans and repayments) between a primary government and its discretely presented component units are reported as external transactions – that is, as revenues and expenses.

The Agency operates on the same fiscal year as the City. Complete financial statements of the Agency can be obtained directly from:

Bonners Ferry Urban Renewal Agency
P.O. Box 149
Bonners Ferry, Idaho 83805

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Basis of Presentation, Government-Wide Statements, and Fund Financial Statements

Government-wide Statements: The statement of net position and the statement of activities display information about the primary government (the City) and its component units. These statements include the financial activities of the overall government and its component units, except for fiduciary activities. 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 part by fees charged to external parties.

The statement of activities presents a comparison between direct and program revenues for the business- type activities of the City and for each function of the City's and its component units' governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees, fines, and charges 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, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the City's funds, including its fiduciary funds and blended component units. Separate statements for each fund category- *governmental, proprietary, and fiduciary* 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.

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

The City reports the following major governmental fund:

General Fund. This is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The City reports the following major enterprise funds:

Electric Enterprise Fund. The Electric Enterprise Fund is used to account for operations that are financed and operated in a manner similar to private business enterprises where the costs (expenses, including depreciation) of providing electric services to the general public on a continuing basis are financed through user charges.

Water Enterprise Fund. The Water Enterprise Fund is used to account for operations that are financed and operated in a manner similar to private business enterprises where the costs (expenses, including depreciation) of providing water services to the general public on a continuing basis are financed through user charges.

Sewer Enterprise Fund, The Sewer Enterprise Fund is used to account for operations that are financed and operated in a manner similar to private business enterprises where the costs (expenses, including depreciation) of providing sewer services to the general public on a continuing basis are financed through user charges.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Additionally, the government reports the following non-major fund types:

Garbage Enterprise Fund, The Garbage Enterprise Fund is used to account for operations that are financed and operated in a manner similar to private business enterprises where the costs (expenses) of providing garbage services to the general public on a continuing basis are financed through user charges. Garbage services are contracted with a third-party provider.

Fiduciary funds are presented in the fund financial statements but are not reported in the government-wide financial statements.

Fiduciary Funds, The Fiduciary Fund financial statement consists of a statement of fiduciary net position. Assets held by the City for other parties (as an agent) and that cannot be used to finance the City's own operating programs are reported in the fiduciary funds. The City is responsible for ensuring that the activities reported in fiduciary funds are based on their intended purposes.

The City's fiduciary fund financial statement is presented on page 19.

Basis of Accounting/Measurement Focus

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the types 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

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

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

Assets, Liabilities, Deferred Inflows of Resources and Net Position/Fund Balance

1. Cash and Cash Equivalents

The City pools all individual fund cash balances in bank accounts, and the Idaho State Investment Pool.

For purposes of the Statement of Cash Flows, the City defines cash and cash equivalents as all cash and highly liquid investments with an original maturity of three months or less (both restricted and unrestricted). In addition, the City considers all unrestricted investments held in the pooled accounts of the City to be cash equivalents, as the City is able to access the funds at any time.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

2. Receivables

All trade and property tax receivables are shown net of an allowance for uncollectible accounts. The allowance for uncollectible accounts for governmental funds was $0 and proprietary funds was $11,224 as of September 30, 2024.

Receivables for State Highway User's Tax, State Liquor, and State Revenue Sharing are recorded as revenue in the general fund.

The City records enterprise fund charges when earned, not when collected.

3. Due To and From Other Funds and Advances To and From Other Funds

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of inter-fund loans) or "advances to/from other funds" (i.e., the non-current portion of inter-fund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

4. Inventories and Prepaid Items

All inventories are valued at cost using the average cost method. Inventories of business-type funds are recorded as expenditures when consumed rather than when purchased. There are no inventories in governmental funds.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

5. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of donation. Capital assets are defined by the City as assets with an initial individual cost or fair market value of more than $2,000. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects when constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Land and construction in progress are not depreciated.

The other property, plant and equipment of the primary government are depreciated using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives
Buildings and Improvements	20 – 35
Infrastructure	20 – 25
Equipment	5 – 20
Furniture and Fixtures	3 – 7
Licensed Vehicles	5 – 7
Electric, Water, and Sewer Systems	20 – 50

Because the City is a Phase 3 government (governments with total annual revenues of less than $10 million), the City is encouraged but not required to report major infrastructure assets retroactively prior to October 1, 2003. The City recorded all infrastructure assets retroactively.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

6. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements.

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, claims and judgments and the non-current portion of capital leases, which will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources.

In general, payments made within sixty days after year end are considered to have been made with current available financial resources. Bonds and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

7. *Compensated Absences*

Paid time off benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the City will compensate the employees for the benefits through paid time off or some other means. The City records a liability for accumulated unused paid time off time when earned for all employees who qualify.

8. *Deferred Outflows/Inflows of Resources*

The City follows GASB No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position and No. 65, Items Previously Reported as Assets and Liabilities. These standards establish accounting and financial reporting for deferred outflows/inflows of resources and the concept of net position as the residual of all other elements presented in a statement of net position.

In addition to assets, the Statement of Net Position will sometimes report a separate section for 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 will not be recognized as an outflow of resources (expense/expenditure) until then. The City has items that qualify for reporting in this category related to pensions which are reported only in the government-wide financial statements on the Statement of Net Position.

In addition to liabilities, the Statement of Net 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 fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has one item, which arises only under a modified accrual basis of accounting, that qualifies for reporting under this category. Accordingly, unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available. Deferred inflows related to pensions are reported only in the government-wide financial statements on the Statement of Net Position.

9. *Fund Equity*

Governmental fund equity is classified as fund balance. Fund balances of the governmental funds are classified as follows in the fund financial statements:

a. Nonspendable fund balance: This 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.

b. 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 or enabling legislation.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

c. **Committed fund balance:** These amounts can only be used for specific purposes pursuant to constraint imposed by formal 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 imposing the 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.

d. **Assigned fund balance:** This classification reflects the amounts constrained by the City's "intent" to be used for specific purposes, but are neither restricted nor committed. The City Council has the authority to assign amounts to be used for specific purposes.

e. **Unassigned**: All amounts not included in other spendable classifications.

10. ***Fund Balance Flow Assumptions***

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

*11. **Net Position Flow Assumptions***

Net position represents the difference between assets and liabilities. Net investment in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

*12. **Program Revenues***

Amounts reported as 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 or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

13. *Property Tax Revenues*

Property taxes are levied by Boundary County each November based on the assessed value of property as listed on the previous September tax rolls. Assessed values are an approximation of market value. The county assessor establishes assessed values. Property tax payments are due in one-half installments every December and June.

Property tax becomes a lien on the property when it is levied. State statute sets maximum property tax rates for the City of Bonners Ferry.

14. *Proprietary Funds Operating and Non-operating Revenues and Expenses*

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. The principal operating revenues of the enterprise funds are charges to customers for sales and service. The enterprise funds also recognize as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

15. *Contributed Capital*

Contributed capital represents donations by developers, grants restricted for capital construction, and assets whose construction was paid for by others. Capitalization fees may be used only for expansion of the systems, improvement or expansion of the present plant, or the construction of additional electric, water and wastewater facilities. When the cash received for capitalization fees is spent, the assets purchased are recorded as plant and equipment.

16. *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.

17. *Use of Estimates*

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

18. *Budgeting*

Budgets are set based on resources available and/or appropriations necessary for each fiscal year by program and fund.

The City Council meets for the purpose of considering and fixing a final budget and making appropriations for each department, and fund. A copy of the budget shall be available for public inspection and a summary statement of the budget for the ensuing year shall be published. Taxpayers are invited to attend a public hearing to express their views concerning the proposed budget.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

During this public meeting, the budget is approved and is legally enacted through the passage of an ordinance. The ordinance is subject to amendment by the City Council throughout the year. The amounts reported as original budget reflect the initial budget adopted and the final budget represents the final amounts passed by the City Council during the year.

19. Encumbrances

Encumbrances are not liabilities and they are not recorded as expenditures until receipt of material or services. For budgetary purposes, appropriations lapse at year end and are re-budgeted the following year. The City does not reserve fund balance for outstanding encumbrances at year end.

NOTE B – CASH AND INVESTMENTS

The government maintains an investment and cash pool for City held funds. State statutes authorize the City's investments. The City of Bonners Ferry is authorized to invest in demand deposits, savings accounts, U.S. Government obligations and its agencies, obligations of Idaho and its agencies, fully collateralized repurchase agreements, prime domestic commercial paper, prime domestic bankers acceptances, bonds, debentures or notes of any corporation organized, controlled and operating within the U.S. which have at their purchase an "A" rating or higher, government pool and money market funds consisting of any of these securities listed. No violations of these categories have occurred.

Custodial Credit Risk/Deposits – Custodial credit risk is the risk that in the event of a bank failure, the City's deposits and investments may not be returned to it. The City does not have a deposit policy for custodial credit risk.

The City's cash and investments at fiscal year-end are summarized as follows:

		Bank Balance			
	Book Balance	Collateralized or FDIC Insured and held in the Organization's Name	Uncollateralized, uninsured, or unregistered and held in the Organization's Name	Uncollateralized, uninsured, or unregistered and not held in the Organization's Name	Total
Mountain West Bank	4,417,590	4,447,378	-	-	4,447,378
Nationwide	376,661	250,000	126,661	-	376,661
Petty Cash	300	-	300	-	300
Investments in the State of Idaho's Investment Pool	4,474,651	-	-	4,455,755	4,455,755 (1)
Total Cash and Cash Equivalents	9,269,202	4,697,378	126,961	4,455,755.00	9,280,094

Summary:	
Governmental Activities	803,968
Business-Type Activities (includes restricted cash)	7,750,245
Fiduciary Activities	383,943
Total	8,938,156
Summary of Restricted Cash	
Governmental Activities	123,079
Business-Type Activities	207,967
Total Restricted Cash	331,046

(1) Investments collateralized with securities held in trust, but not in the City's name.

NOTE C – RECEIVABLES

The following funds have uncollected receivables at September 30, 2024. The business-type accounts receivable is shown net of a $11,224 allowance for bad debt.

Governmental Activities:	**General**
Property Tax Receivable	28,356
State Revenue and Other Receivables	716,235
Accounts Receivable	744,591

Business-Type Activities	**Electric**	**Water**	**Sewer**	**Garbage**	**Total Business-Type**
Accounts Receivable - Business Type	822,707	243,620	123,668	25,368	1,215,363
Estimated Allowance for Doubtful Accounts	(7,821)	(2,283)	(705)	(415)	(11,224)
Accounts Receivable, Net of Allowance	814,886	241,337	122,963	24,953	1,204,139

NOTE D – DELINQUENT TAXES RECEIVABLE

Property taxes are levied by Boundary County in November of each year and the City's portion of revenue is recognized as revenue when the tax notices are printed. Taxes are due in two equal installments on December 20 and June 20 following the levy date. If payment is not received upon the due dates, a 2% penalty is charged and taxes are classified as past due subject to 12% interest. Liens are placed on property after 3 years.

Taxes receivable are stated as taxes levied less amounts collected and canceled. Boundary County maintains the property tax records. Deferred revenue has been recorded as recommended by NCGA Interpretation #3 - "Revenue Recognition," but an allowance for uncollectible taxes receivable has not been established.

NOTE E – CAPITAL ASSETS

The changes in capital assets used in governmental activities during the fiscal year were as follows:

Governmental Activities:	**Balance 9/30/2023**	**Increases**	**Decreases**	**Transfers**	**Balance 9/30/2024**
Capital Assets, not being depreciated:					
Land	432,681	-	-	-	432,681
Total Capital Assets, not being depreciated	432,681	-	-	-	432,681
Capital Assets, being depreciated:					
Buildings	1,835,029	11,899	-	-	1,846,928
Improvements	1,022,507	9,977	-	-	1,032,484
Machinery & Equipment	3,144,130	321,684	-	-	3,465,814
Tanks Storage	4,997	-	-	-	4,997
Distribution	8,964	-	-	-	8,964
Infrastructure	20,213,542	-	-	-	20,213,542
Total Capital Assets, being depreciated	26,229,169	343,560	-	-	26,572,729
Less Accumulated Depreciation for:					
Buildings	1,172,355	45,745	-	-	1,218,100
Improvements	433,350	41,387	-	-	474,737
Machinery & Equipment	2,374,444	151,688	-	-	2,526,132
Tanks Storage	4,997	-	-	-	4,997
Distribution	3,121	300	-	-	3,421
Infrastructure	17,872,245	359,327	-	-	18,231,572
Total accumulated depreciation	21,860,512	598,447	-	-	22,458,959
Total Capital Assets, being depreciated, net	4,368,657	(254,887)	-	-	4,113,770
Total Capital Assets, net - Governmental Activities	4,801,338	(254,887)	-	-	4,546,451

NOTE E – CAPITAL ASSETS (Cont.)

Depreciation expense was charged to functions/programs for the governmental activities as follows:

Governmental Activities:	
Highways and Streets	440,748
Culture and Recreation	83,890
General	9,465
Public Safety	64,344
Total Depreciation Expense - Governmental Activities	598,447

The changes in capital assets used in business-type activities during the fiscal year were as follows:

Business-Type Activities:	Balance 9/30/2023	Increases	Decreases	Transfers	Balance 9/30/2024
Capital Assets, not being depreciated:					
Land	636,889	-	-	-	636,889
Total Capital Assets, not being depreciated	636,889	-	-	-	636,889
Capital Assets, being depreciated:					
Buildings and Improvements	3,165,787	-	-	-	3,165,787
Systems	40,556,771	791,276	(89,275)	-	41,258,772
Machinery & Equipment	7,697,688	1,095,881	-	-	8,793,569
Total Capital Assets, being depreciated	51,420,246	1,887,157	(89,275)	-	53,218,128
Less Accumulated Depreciation for:					
Buildings and Improvements	2,429,158	59,734	-	-	2,488,892
Systems	19,789,682	902,071	(89,275)	-	20,602,478
Machinery & Equipment	6,942,046	161,909	-	-	7,103,955
Total accumulated depreciation	29,160,886	1,123,714	(89,275)	-	30,195,325
Total Capital Assets, being depreciated, net	22,259,360	763,443	-	-	23,022,803
Total Capital Assets, net - Business-Type Activities	22,896,249	763,443	-	-	23,659,692

Depreciation expense for the business-type activities was charged as follows:

Business-Type Activities	
Electric	700,881
Water	347,983
Sewer	74,850
Total Depreciation Expense - Business-Type Activities	1,123,714

NOTE F – CONSTRUCTION IN PROGRESS

The City has various projects that were not completed as of fiscal year end. The construction in progress amount represents the construction cost for these projects. Once each project is complete, these costs along with subsequent costs will be added to the City's capital assets. The construction in progress balance as of September 30, 2024 is as follows:

	Balance 9/30/2023	Additions	Completed Projects - Capitalized	Balance 9/30/2024
Governmental Activities:				
General Fund	13,444	(1,545)	(11,899)	-
Total - Governmental Activities	13,444	(1,545)	(11,899)	-
Business-Type Activities:				
Electric Fund	374,451	876,642	(726,831)	524,262
Water Fund	-	202,982	(80,089)	122,893
Sewer Fund	337,412	150,303	(350,381)	137,334
Total - Business-Type Activities	711,863	1,229,927	(1,157,301)	784,489
Total - Construction in Process	725,307	1,228,382	(1,169,200)	784,489

NOTE G – ACCOUNTS PAYABLE

Accounts payable represents liabilities for goods and services rendered to the City as of September 30, 2024 evidenced by invoices and bills that have been approved for payment in October 2024 or later.

NOTE H – ACCRUED PAYROLL AND BENEFITS

Accrued payroll and benefits represents payroll and benefits earned by employees during September 2024 and paid in October 2024.

NOTE I – DEFERRED REVENUE

As of September 30, 2024, deferred revenue consisted of the following:

Revenue Collected in Advance	1,093
Deferred Grant Revenue - ARPA	15,031
	16,124

NOTE J – LONG-TERM OBLIGATIONS

Long-term liabilities of the City consist of revenue bonds and an equipment loan. The following is a schedule of the long-term debt obligations of the City for the fiscal year:

	Rate	Fund	Maturity Date	Amount Outstanding 9/30/2023	Additions	Deductions	Amount Outstanding 9/30/2024	Amount Due In One Year	Non-Current
Governmental Activities:									
Equipment Loan - Wheel Loader	4.26%	General	6/1/2027	91,640	-	21,610	70,030	22,425	47,605
Total Governmental Activities				91,640	-	21,610	70,030	22,425	47,605
Business-Type Activities:									
Water Revenue Refunding Bond Series 2017	2.0% to 5.0%	Water	9/15/2040	2,085,000	-	85,000	2,000,000	90,000	1,910,000
Water Revenue Refunding Bond Series 2017 - Premium				128,960	-	7,604	121,356	-	121,356
Hydroelectric Revenue Refunding Bond Series 2017	2.0% to 5.0%	Electric	9/15/2024	70,000	-	70,000	-	-	-
Hydroelectric Revenue Refunding Bond Series 2017 - Premium				7,421	-	7,421	-	-	-
Hydroelectric Revenue Bond, Series 2020	2.36%	Electric	9/15/2040	3,825,000		115,000	3,710,000	195,000	3,515,000
Total Bond				6,116,381	-	285,025	5,831,356	285,000	5,546,356
Bond Issuance Costs				(47,760)	-	(2,809)	(44,951)	-	(44,951)
Net Bonds - Business-Type				6,068,621	-	282,216	5,786,405	285,000	5,501,405
Total Long-Term Liabilities				6,160,261	-	303,826	5,856,435	307,425	5,549,010

NOTE J – LONG-TERM OBLIGATIONS (Cont.)

Revenue Bonds

Bonds payable at September 30, 2024 are comprised of the following individual revenue bonds:

$2,570,000 – Water Revenue Refunding Bonds, 2017 A

Payments are due semi-annually, with principal and interest due on September 15th and interest due on March 15th each year. The first payment was due September 15, 2017. The bond interest rates are 2.0% to 5.0%.

Debt service requirements for the Water Revenue Refunding Bond, 2017A at fiscal year-end are as follows:

Years Ending	Principal	Interest	Total Water Revenue Refunding Bond 2017 A
2025	90,000	81,650	171,650
2026	95,000	77,150	172,150
2027	100,000	72,400	172,400
2028	105,000	67,400	172,400
2029	105,000	63,200	168,200
2030	110,000	59,000	169,000
2031-2035	630,000	224,800	854,800
2036-2040	765,000	89,575	854,575
	2,000,000	735,175	2,735,175

$4,145,000 – 2020 Hydroelectric Revenue Bonds

Payments are due semi-annually, with principal and interest due on March 15th and September 15th each year. The first payment was due March 15, 2021. The bond interest rate is 2.36%.

Debt service requirements for the 2020 Hydroelectric Revenue Bond at fiscal year-end are as follows:

Years Ending	Principal	Interest	Total 2020 Hydroelectric Revenue Bond
2025	195,000	86,376	281,376
2026	200,000	81,774	281,774
2027	205,000	76,995	281,995
2028	205,000	72,216	277,216
2029	210,000	67,319	277,319
2030	215,000	62,363	277,363
2031-2035	1,170,000	231,870	1,401,870
2036-2040	1,310,000	86,553	1,396,553
	3,710,000	765,466	4,475,466

NOTE J – LONG-TERM OBLIGATIONS (Cont.)

Debt Service Fund Requirements – Water Fund

The City of Bonners Ferry Ordinance No. 562 dated January 17, 2017, created a water debt service fund. The Ordinance requires transfers to the Reserve in an amount that will cover the annual aggregate principal and interest payments of the bonds. The required reserve balance is $171,650; $207,967 was on deposit at September 30, 2024.

Earnings Ratio Requirements – Electric Fund

The City of Bonners Ferry Ordinance No. 561, dated January 17, 2017 states that the electric rates of the City must be maintained at a level sufficient to provide net earnings from operations before depreciation equal to 1.25 times the maximum annual debt service required each year for the electric fund. For the year ended September 30, 2024, the analysis shown below reflects a ratio of 3.33 to 1. Therefore, the earning ratio requirements for the electric fund appear to be met during the year ended September 30, 2024.

Net Income from Operations - Electric Fund	235,917	
Add: Depreciation	700,881	
Net Income (Loss) Before Depreciation	936,798	(a)
Aggregate Debt Service Required in Coming Year	281,376	(b)
Earning Ratio (a/b)	**3.33**	

Earnings Ratio Requirements – Water Fund

The City of Bonners Ferry Ordinance No. 561, dated January 17, 2017 states that the water rates of the City must be maintained at a level sufficient to provide net earnings from operations before depreciation equal to 1.25 times the maximum annual debt service required each year for the water fund. For the year ended September 30, 2024, the analysis shown below reflects a ratio of 3.24 to 1. Therefore, the earning ratio requirements for the water fund appear to be met during the year ended September 30, 2024.

Net Income from Operations - Water Fund	208,766	
Add: Depreciation	347,983	
Net Income (Loss) Before Depreciation	556,749	(a)
Aggregate Debt Service Required in Coming Year	171,650	(b)
Earning Ratio (a/b)	**3.24**	

NOTE J – LONG-TERM OBLIGATIONS (Cont.)

Maturities of Bond Obligations – All Business-Type Activities

The following is a schedule of maturities of bond obligations for all business type activities.

Years Ending	Total Water Revenue Refunding Bond 2017 A	Total 2020 Hydroelectric Revenue Bond	Total
2025	90,000	195,000	285,000
2026	95,000	200,000	295,000
2027	100,000	205,000	305,000
2028	105,000	205,000	310,000
2029	105,000	210,000	315,000
2030	110,000	215,000	325,000
2031-2035	630,000	1,170,000	1,800,000
2036-2040	765,000	1,310,000	2,075,000
	2,000,000	3,710,000	5,710,000
Issuance Premium, Net	121,356	-	121,356
Bond Issuance Cost, Net	-	(44,951)	(44,951)
Total - Business-Type	2,121,356	3,665,049	5,786,405

NOTE K – PENSION PLAN

Plan Description

The City contributes to the Base Plan which is a cost-sharing multiple-employer defined benefit pension plan administered by the 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 (five 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.

NOTE K – PENSION PLAN (Cont.)

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 employees and 9.83% for public safety. 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 public safety. The City's contributions were $300,686 for the year ended September 30, 2024.

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

At September 30, 2024, the City reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2024, the City's proportion was 0.05233401 percent.

For the year ended September 30, 2024, the City recognized pension expense of $496,896. The portion of pension expense paid through payroll was included with payroll expenses and benefits on the financial statements. The portion of pension expense related to the change in net pension liability, deferred inflows of resources, and deferred outflows of resources was included in pension expense on the financial statements. 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	$ 311,673	$ -
Changes in assumptions or other inputs	$ 77,551	$ -
Net difference between projected and actual earnings on pension plan investments	$ -	$ -
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	$ -	$ 79,502
Employer contributions subsequent to the measurement date	$ 74,296	$ -
Total	$ 463,520	$ 79,502

The City reported $74,296 as deferred outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date which 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, the beginning of the measurement period ended June 30, 2023, is 4.4 and 4.4 years for the measurement period ended 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 September 30:	
2025	$ 68,568
2026	$ 376,126
2027	$ (82,256)
2028	$ (52,716)

NOTE K – PENSION PLAN (Cont.)

Actuarial Assumptions

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

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

Inflation	2.30%
Salary increases, including inflation	3.05%
Investment rate of return, net of investment fees	6.35%
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 including mortality. The total pension liability as of June 30, 2024 is based on the results of an actuarial valuation date of July 1, 2024.

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

Even though history provides a valuable perspective for setting the investment return assumption, the System relies primarily on an approach which builds upon the latest capital market assumptions. Specifically, the System uses consultants, investment managers and trustees to develop capital market assumptions in analyzing the System's asset allocation. The assumptions and the System's formal policy for asset allocation are shown below. The formal asset allocation policy is somewhat more conservative than the current allocation of System's assets.

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are as of 2024.

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

NOTE K – PENSION PLAN (Cont.)

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)	$ 3,720,106	$ 1,957,629	$ 518,135

Pension plan fiduciary net position

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

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

NOTE L – DEFERRED COMPENSATION PLAN

Employees of the City of Bonners Ferry may participate in a deferred compensation plan adopted under the provisions of Internal Revenue Code Section 457 (Deferred Compensation Plans with Respect to Service for State and Local Governments).

The deferred compensation plan is available to all employees of the City. Under the plan, employees may elect to defer a portion of their salaries and defer paying taxes on such portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency.

The deferred compensation plan is administered by a financial advisor unrelated to the City. Under the terms of an IRC Section 457 deferred compensation plan, all deferred compensation and income attributable to the investment of the deferred compensation amounts held by the financial institution, until paid or made available to the employees or beneficiaries, are the property of the City, subject only to the claims of the City's general creditors. In addition, the participants in the plan have rights equal to those of the general creditors of the City, and each participant's rights are equal to his or her share of the fair market value of the plan assets. The City believes that it is unlikely that plan assets will be needed to satisfy any claims of general creditors. It is the opinion of the City's legal counsel that the City has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. Deferred compensation plan assets are reported at market value in each fund.

NOTE M – COMMITMENTS AND CONTINGENCIES

Intergovernmental Grants: The City has received several federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to request for reimbursements to grantor agencies for expenditures disallowed under the terms of the grant. Based on prior experience, City management believes such disallowances, if any, will be immaterial.

Litigation: The City is party to legal claims arising in the ordinary course of business. In management's opinion, the City has adequate legal defenses or insurance coverage relative to these actions. Management does not believe any actions will materially affect the City's operations or financial position.

The attorney for the City of Bonners Ferry has reported that of all cases that have been filed, none appear to threaten probable litigation against the City beyond the limitations of the City's insurance policies.

NOTE N – RISK MANAGEMENT

The City is exposed to various risks of loss related to torts: theft of, damage to and destruction of assets, errors and omissions, injuries to employees and natural disasters. During the fiscal year, the City is contracted with Idaho County Risk Management Program (ICRMP) for property and general liability insurance and the State Insurance Fund for worker's compensation. Under the terms of the ICRMP policy, The City of Bonners Ferry's liability is limited to the amount of annual financial membership contributions including $5,000 per occurrence deductible. There has been no significant reduction in insurance coverage in the current year. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

NOTE O – INTERFUND RECEIVABLES AND PAYABLES

Individual fund interfund receivable and payable balances at September 30, 2024 were as follows:

	Interfund Receivable	Interfund Payable	Net Interfund Receivable (Payable)
General Fund	156,409	119,362	37,047
Electric Fund	5,355	28,725	(23,370)
Water Fund	-	4,623	(4,623)
Sewer Fund	277	7,322	(7,045)
Garbage Fund	-	2,009	(2,009)
	162,041	162,041	-

The sewer fund made an advance to the water fund during the fiscal year ending September 30, 2020. This advance was fully paid during the year ending September 30, 2024.

NOTE P – INTERFUND TRANSFERS

There were no interfund transfers during the year ending September 30, 2024.

Historically, the electric, water and sewer funds have made transfers to the general fund. The principal purpose for these transfers of funds from the enterprise funds to the general fund was to cover the indirect overhead costs of operating the City's utility division. However, following a recommendation from the City's attorney, these interfund transfers were suspended for the fiscal years ending September 30, 2023 and 2024. Additionally, the City reversed the transfers that were previously recorded for 2021 and 2022.

NOTE Q – STATEMENT OF CASH FLOWS – SUPPLEMENTAL INFORMATION

	Electric Fund	Water Fund	Sewer Fund	Garbage Fund	Total
Reconciliation of Cash to the Statement of Net Position:					
Cash and Cash Equivalents	5,124,720	910,291	1,645,860	69,374	7,750,245
Restricted Cash	-	207,967	-	-	207,967
Total Cash and Cash Equivalents	5,124,720	1,118,258	1,645,860	69,374	7,958,212
Noncash Investing, capital, and Financing Activities:					
Contributions of Capital	221,895	69,524	10,740	-	302,159

NOTE R – INSURANCE REQUIREMENTS

The City of Bonners Ferry Ordinance No. 562 requires disclosure of property, liability, and workers compensation information. The city had the following insurances at fiscal year-end:

Insurance Coverage	Policy Number	Insurance Company	Amount of Coverage	Expiration Date
Property Insurance	43A2024	ICRMP	Various	10/1/2024
General Liability	43A2024	ICRMP	$ 3,000,000	10/1/2024
Auto Liability	43A2024	ICRMP	$ 3,000,000	10/1/2024
Fidelity	43A2024	ICRMP	$ 3,000,000	10/1/2024
Worker's Compensation	25670	Idaho State Insurance Fund	Open	10/1/2024

NOTE S – COMPONENT UNIT DISCLOSURES

As disclosed in Note A, Bonners Ferry Urban Renewal Agency meets the criteria for discrete presentation in the City's financial statements as a component unit. The following paragraphs describe significant transactions between the two entities and provide relevant disclosures related to the Agency.

Risk Management

The Agency is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. The Agency is protected from such losses by Bonners Ferry's commercial insurance policy.

Agency Cash and Cash Equivalents

Custodial Credit Risk – Deposits: Custodial credit risk that, in the event of a bank failure, the Agency's deposits may not be returned to it. The Agency does not have a deposit policy for custodial credit risk as it deposits funds in financial institutions that are members of the U.S. Federal Deposit Insurance Corporation (FDIC) and has never experienced such a loss.

NOTE S – COMPONENT UNIT DISCLOSURES (Cont.)

As of September 30, 2024, the Agency's deposits were exposed to custodial credit risk as follows:

		Bank Balance			
	Book Balance	Collateralized or FDIC Insured and held in the Organization's Name	Uncollateralized, uninsured, or unregistered and held in the Organization's Name	Uncollateralized, uninsured, or unregistered and not held in the Organization's Name	Total
Bonners Ferry Urban Renewal Agency	187,240	187,240	-	-	187,240
Statement of Net Position:					
Cash and Cash Equivalents	101,989				
Restricted Cash	85,251				
	187,240				

Agency Long-term Obligations and Commitments

In June 2016, the Agency refinanced their revenue allocation bond with Banner Bank in the amount of $688,826. The bonds have a 15-year life and an interest rate of 3.30%, maturing in August 2030. Semi-annual installments of principal and interest are due August 1 and February 1 each year, payments are $28,275, beginning August 1, 2016 until August 1, 2030. Interest shall be calculated on the basis of a year of 360 days and actual days elapsed.

Bond covenants require a debt service account amount of at least half of the annual debt service payable during the year and a reserve account in the amount of the annual debt service on the bond. All revenue allocation proceeds as received shall be deposited in the revenue account as long as the bond remains outstanding. The Agency shall transfer from the Revenue Account first, to the Bond Reserve Account to satisfy the requirement, then to the Debt Service Account to maintain the minimum requirement, and then may transfer additional gross revenue allocation proceeds to the Agency's General Fund. Amounts available in the debt service account shall be applied to pay the semi-annual installments of principal and interest on the bond and to redeem principal of the bond. On any semi-annual payment date for the bond, if money in the debt service account is insufficient to make the payment of principal and interest due on such date, money shall be transferred from the reserve account to the debt service account to make up such deficiency.

Long-term liability activity for the year ended September 30, 2024 was as follows:

	Beginning Balance	Issued	Payments	Ending Balance	Due Within One Year
2016 Bond	393,985	-	(43,693)	350,292	45,202

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

Years Ending	Principal	Interest	Total
2025	45,202	11,349	56,551
2026	46,727	9,824	56,551
2027	48,303	8,248	56,551
2028	49,916	6,635	56,551
2029	51,617	4,934	56,551
2030	108,527	3,191	111,718
Total	350,292	44,181	394,473

NOTE T – SUBSEQUENT EVENTS

Management for the City has reviewed subsequent events as of January 27, 2026, which is the date the report was available to be issued, and was not aware of any subsequent events that needed to be disclosed.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF BONNERS FERRY

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL - GENERAL FUND FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Property Taxes	1,563,125	1,563,125	1,492,250	(70,875)
Intergovernmental Revenue	648,735	648,735	765,705	116,970
Charges for Services	235,500	235,500	329,676	94,176
Interest	31,335	31,335	78,299	46,964
Licenses and Permits	81,560	81,560	161,441	79,881
Fines and Forfeitures	40,000	40,000	50,095	10,095
Miscellaneous Revenue	43,454	43,454	33,738	(9,716)
DARE Revenues	30,000	30,000	65,260	35,260
Miscellaneous Grants	135,000	135,000	260,958	125,958
Total Revenues	2,808,709	2,808,709	3,237,422	428,713
Expenditures				
Salaries and Wages	1,067,979	1,067,979	989,085	78,894
Payroll Expenses and Benefits	757,170	757,170	632,432	124,738
General Government	158,014	158,014	238,964	(80,950)
Public Safety	255,909	255,909	245,480	10,429
Highways and Streets	243,377	243,377	183,091	60,286
Culture and Recreation	245,461	245,461	278,589	(33,128)
Community Development	52,099	52,099	14,925	37,174
Capital Outlay	298,700	298,700	343,559	(44,859)
Contingency	530,000	530,000	-	530,000
Total Expenditures	3,608,709	3,608,709	2,926,125	682,584
Excess (Deficit) Revenues Over Expenditures	(800,000)	(800,000)	311,297	1,111,297
Fund Balance at Beginning of Year	800,000	800,000	1,149,946	349,946
Fund Balance at End of Year	-	-	1,461,243	1,461,243

CITY OF BONNERS FERRY

PENSION PLAN REQUIRED SUPPLEMENTARY INFORMATION
FOR YEAR ENDED SEPTEMBER 30, 2024 WITH JUNE 30, 2024 PERSI DATA

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Employer's portion of net pension asset (liability)	0.05233401%	0.05568348%	0.05569046%	0.05850269%	0.0604573%	0.0601625%	0.0614756%	0.0624179%	0.0600557%	0.0588570%
Employer's proportionate share of the net pension (asset) liability	$1,957,629	$2,222,144	$2,193,512	($46,204)	$1,403,898	$686,738	$906,776	$981,102	$1,217,421	$775,300
Employer's covered-employee payroll	$2,551,500	$2,293,160	$2,213,459	$2,145,803	$2,196,784	$2,003,737	$1,979,213	$1,954,861	$1,846,692	$1,703,885
Employer's proportional share of the net pension (asset) liability as a percentage of its covered-employee payroll	76.72%	96.90%	99.10%	-2.15%	63.91%	34.27%	45.81%	50.19%	65.92%	45.50%
Plan fiduciary net position as a percenage of total pension (asset) liability	85.54%	83.83%	83.09%	100.36%	88.22%	93.79%	91.69%	90.68%	87.26%	91.38%

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

Data reported is measured as of June 30, 2024

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	$300,686	$272,897	$265,526	$257,364	$235,832	$234,682	$226,930	$222,437	$200,607	$197,593
Contributions in relation to the statutorily required contribution	$300,686	$272,897	$265,526	$257,364	$235,832	$234,682	$226,930	$222,437	$200,607	$197,593
Contribution (deficiency) excess	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Employer's covered-employee payroll	$2,551,500	$2,293,160	$2,213,459	$2,145,803	$2,196,784	$2,003,737	$1,979,213	$1,954,861	$1,846,692	$1,703,885
Contributions as a percentage of covered-employee payroll	11.78%	11.90%	12.00%	11.99%	10.74%	11.71%	11.47%	11.38%	10.86%	11.60%

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

Data reported is measured as of September 30, 2024

CITY OF BONNERS FERRY

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED SEPTEMBER 30, 2024

NOTE A – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Data

Budgets are adopted on a basis consistent with generally accepted accounting principles. An annual budget is adopted for the general fund. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed as an extension of formal budgetary integration in the general fund.

This is in conformance with Idaho State Statutes, which require that appropriations lapse at the end of a fiscal year and are not available to be carried forward to be used in addition to the succeeding year's appropriation. The budget was not amended in the current fiscal year.

The following procedures are followed in establishing the budgetary data reflected in the financial statements:

1. The City publishes a proposed budget for public review.

2. Public hearings are set to obtain taxpayer comments.

3. Prior to October 1, the budget is adopted by ordinance of the City Council and published.

Lapsing of Appropriations

At the close of each year, all unspent appropriations revert to the respective funds from which they were appropriated and become subject to future appropriation.

The City properly prepared and published its budget for the year, as required by US generally accepted accounting principles and Idaho Code 33-2713A. The budget is adopted on a modified accrual basis, consistent with the fund financial statements and was not amended during the year ended September 30, 2024.