CITY OF DEARY, IDAHO

Deary, Idaho

Audited Financial Statements
For the Year Ended
September 30, 2024

CITY OF DEARY, IDAHO

Deary, Idaho

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FINANCIAL SECTION

HAYDEN ROSS

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and City Council
City of Deary, Idaho
Deary, Idaho 83823

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of City of Deary, Idaho's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about City of Deary, Idaho's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 7 through 11, the budgetary comparison schedule on pages 41 through 42, and the net pension (asset) liability related schedules on page 43 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 inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City of Deary, Idaho's basis financial statements. The proprietary fund schedules of revenues, expenses, and changes in net position (non-GAAP budgetary basis), are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the proprietary fund schedules of revenues, expenses, and changes in net position (non-GAAP budgetary basis), are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated March 26, 2025 on our consideration of City of Deary, Idaho's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of City of Deary, Idaho's internal control over financial reporting or on compliance. That report is an integral part of an audit

performed in accordance with *Government Auditing Standards* in considering City of Deary, Idaho's internal control over financial reporting and compliance.

Hayden Ross, PLLC

Moscow, Idaho
March 26, 2025

HAYDEN ROSS

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 Deary, Idaho
Deary, Idaho 83823

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of City of Deary, Idaho, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise City of Deary, Idaho's basic financial statements, and have issued our report thereon dated March 26, 2025.

Report on Internal Control over Financial Reporting

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

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

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

not identify any deficiencies in internal control that we consider to be material weaknesses or significant deficiencies. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Hayden Ross, PLLC

Moscow, Idaho
March 26, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2024

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

Overview of the Financial Statements

The City's basic financial statements comprise of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements.

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

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

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

In the Statement of Net Position and the Statement of Activities, we divide the City into two kinds of activities:

- **Governmental Activities -** Most of the City's basic services are reported here, including general administration, streets, parks and recreation. Taxes, intergovernmental revenues, permits, fines, and grants principally support these.

- **Business-type Activities -** The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's water, sanitation, and sewer systems are reported here.

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

compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

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

The City adopts an annual appropriated budget for its governmental funds and proprietary funds.

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

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

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

Net Position of Governmental and Business-type Activities
As of September 30,

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Current and other assets	1,310,323	1,130,622	704,110	671,992	2,014,433	1,802,614
Capital assets	663,736	707,906	3,715,190	3,847,157	4,378,926	4,555,063
Noncurrent assets	231,624	241,310	-	-	231,624	241,310
Total assets	2,205,683	2,079,838	4,419,300	4,519,149	6,624,983	6,598,987
Deferred outflows of resources	8,978	20,690	14,649	22,442	23,627	43,132
Current liabilities	210,586	119,429	113,619	219,112	324,205	338,541
Noncurrent liabilities	36,221	52,900	1,565,384	1,644,416	1,601,605	1,697,316
Total liabilities	246,807	172,329	1,679,003	1,863,528	1,925,810	2,035,857
Deferred inflows of resources	407,101	406,296	56,597	57,673	463,698	463,969
Net investment in capital assets	663,736	707,906	2,129,034	2,182,908	2,792,770	2,890,814
Restricted	-	-	143,799	117,253	143,799	117,253
Unrestricted	897,017	813,997	425,516	320,229	1,322,533	1,134,226
Total net position	$1,560,753	$1,521,903	$2,698,349	$2,620,390	$4,259,102	$ 4,142,293

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, net position was $4,259,102 at September 30, 2024, an increase of $116,809 over the previous year.

By far the largest portion of the City's net position (65.6%) reflects its net investment in capital assets (e.g., land, infrastructure, buildings, machinery, equipment, right-of-use assets); less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide service to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Net Position

At the end of the current year, the City was able to report positive balances in all three categories of net position the government as a whole.

Changes in Net Position of Governmental and Business-type Activities
Fiscal Year

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023-2024	2022-2023	2023-2024	2022-2023	2023-2024	2022-2023
Revenues						
Program Revenues:						
Charges for services	11,379	7,755	584,048	498,518	595,427	506,273
Capital grants and contributions	3,614	8,238	-	-	3,614	8,238
General Revenues:						
Property taxes	174,541	168,033	-	-	174,541	168,033
Intergovernmental	115,614	110,092	-	-	115,614	110,092
Interest earnings	40,366	25,500	19,701	15,957	60,067	41,457
Miscellaneous	33,772	14,804	-	-	33,772	14,804
Gain (loss) on disposal of capital assets	-	(567)	-	(1,136)	-	(1,703)
Transfer in (out)	(100,000)	(150,000)	100,000	150,000	-	-
Total Revenues	**279,286**	**183,855**	**703,749**	**663,339**	**983,035**	**847,194**
Expenses						
Program Expenses:						
General government	114,840	140,857	-	-	114,840	140,857
Public safety	15,280	15,360	-	-	15,280	15,360
Recreation	10,020	9,503	-	-	10,020	9,503
Streets	41,177	43,014	-	-	41,177	43,014
Capital outlay	14,949	5,026	-	-	14,949	5,026
Depreciation, unallocated	44,170	42,833	-	-	44,170	42,833
Water	-	-	286,364	255,652	286,364	255,652
Sewer	-	-	208,163	177,419	208,163	177,419
Sanitation	-	-	131,263	120,707	131,263	120,707
Total Expenses	**240,436**	**256,593**	**625,790**	**553,778**	**866,226**	**810,371**
Change in Net Position	**38,850**	**(72,738)**	**77,959**	**109,561**	**116,809**	**36,823**
Net Position - Beginning	**1,521,903**	**1,594,641**	**2,620,390**	**2,510,829**	**4,142,293**	**4,105,470**
Net Position - Ending	**$1,560,753**	**$1,521,903**	**$2,698,349**	**$2,620,390**	**$4,259,102**	**$4,142,293**

Governmental activities:

Net position increased by $38,850 in the governmental activities for fiscal year 2024. Key elements of this net increase are as follows:

- The major changes were as follows:
    - Increased interest earnings of $14,866.
    - Increased miscellaneous revenue of $18,968.
    - Decreased general government expenses of $26,017.

Business-type activities:

The business-type activities net position increased by $77,959 for fiscal year 2024. Key elements of this net increase are as follows:

- The major changes were as follows:
    - Transfer in of $100,000.
    - Increased charges for services of $85,530.

Budget Variations: Developing a budget is a best estimate at the time of projection of revenues that you anticipate receiving and the expenses that you estimate will be needed during the next fiscal year. The Water and Sanitation fund had expenditures over budget by $20,810 and $28,213, respectively.

Fund Budgetary Highlights: Below is a description of significant budget to actual differences for the year.

General Fund – The revenues were higher than predicted due to an increase in miscellaneous, intergovernmental, and interest income. The expenditures were lower than predicted due to salaries and benefits and miscellaneous expenditures being less than anticipated.

Water Fund – The revenues were higher than predicted due to an increase in charges for services collected. Expenses were higher than predicted due to salaries and benefits, system repairs and maintenance expenses, and depreciation being more than anticipated.

Sewer Fund – The revenues were higher than predicted due to an increase in charges for services collected. Expenses were less than predicted due to miscellaneous expenses and depreciation being less than anticipated.

Sanitation Fund – The revenues were higher than predicted due to an increase in charges for services collected. Expenditures were more than predicted due to sanitation, collection and disposal expenses being more than anticipated.

Capital Asset and Debt Administration. At the end of fiscal year 2024, the City had $4,378,926 invested in capital assets (land, buildings, equipment, vehicles, right-of-use assets, and water and sewer lines). These assets are necessary to carry out the day-to-day operations of the City.

The City started the year with $217,148 in sewer revenue bonds outstanding. The City retired $50,947 of the bonds during the year to end with an outstanding amount of $166,201.

The City started the year with $1,447,101 in water revenue bonds outstanding. The City retired $27,146 of the bonds during the year to end with an outstanding amount of $1,419,955.

Capital Assets
Governmental and Business-type Activities
Net of Accumulated Depreciation
As of September 30,

	Governmental Activities		Business-type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Land and non-depreciated capital assets	104,805	104,805	32,538	32,538	137,343	137,343
Land improvements	-	-	18,785	20,006	18,785	20,006
Buildings	243,422	255,333	62,688	65,554	306,110	320,887
Equipment	69,531	83,133	77,130	74,278	146,661	157,411
Utility systems	-	-	3,524,049	3,654,781	3,524,049	3,654,781
Street improvements	128,359	139,352	-	-	128,359	139,352
Park improvements / equipment	117,619	125,283	-	-	117,619	125,283
Total	$ 663,736	$707,906	$3,715,190	$3,847,157	$4,378,926	$4,555,063

Requests for Information. This financial report is designed to provide a general overview of the City of Deary, Idaho's finances for all those with interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to City Hall, P.O. Box 236, Deary, Idaho 83823.

FINANCIAL STATEMENTS

CITY OF DEARY, IDAHO
Deary, Idaho

STATEMENT OF NET POSITION
September 30, 2024

	Governmental Activities	Business-type Activities	Total
Assets			
Current assets:			
Cash	445,081	-	445,081
Investments	652,884	281,942	934,826
Taxes receivable	9,099	-	9,099
Unbilled taxes receivable	160,755	-	160,755
Due from other funds	-	205,184	205,184
Receivables:			
Due from County	432	-	432
State receivable	25,068	-	25,068
Customer accounts (net)	-	56,824	56,824
Other receivables	4,055	1,904	5,959
Prepaid items	3,263	14,457	17,720
Current portion of lease receivable	9,686	-	9,686
Restricted investments	-	143,799	143,799
Total current assets	1,310,323	704,110	2,014,433
Noncurrent assets:			
Lease receivable, less current portion	231,624	-	231,624
Non-depreciable capital assets	104,805	32,538	137,343
Depreciable capital assets (net of accumulated depreciation)	558,931	3,682,652	4,241,583
Total noncurrent assets	895,360	3,715,190	4,610,550
Total assets	2,205,683	4,419,300	6,624,983
Deferred Outflows of Resources			
Pension related items	8,978	14,649	23,627
Liabilities			
Current liabilities:			
Accounts payable	3,698	12,180	15,878
Accrued salaries and payroll taxes	1,704	3,863	5,567
Due to other funds	205,184	-	205,184
Accrued interest payable	-	16,844	16,844
Current portion of bonds payable	-	80,732	80,732
Total current liabilities	210,586	113,619	324,205
Noncurrent liabilities:			
Accrued compensated absences	2,343	4,686	7,029
Net pension liability	33,878	55,274	89,152
Bonds payable, less current portion	-	1,505,424	1,505,424
Total noncurrent liabilities	36,221	1,565,384	1,601,605
Total liabilities	246,807	1,679,003	1,925,810
Deferred Inflows of Resources			
Unavailable tax revenue	160,755	-	160,755
Deferred grant revenue	13,568	49,692	63,260
Leases	228,546	-	228,546
Pension related items	4,232	6,905	11,137
Total deferred inflows of resources	407,101	56,597	463,698
Net Position			
Net investment in capital assets	663,736	2,129,034	2,792,770
Restricted:			
Debt service	-	143,799	143,799
Unrestricted	897,017	425,516	1,322,533
Total net position	$ 1,560,753	$ 2,698,349	$ 4,259,102

STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2024

		Program Revenues			Net Revenue (Expense) and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
FUNCTIONS/PROGRAMS							
Governmental activities:							
General government	114,840	11,379	-	-	(103,461)	-	(103,461)
Public safety	15,280	-	-	-	(15,280)	-	(15,280)
Recreation	10,020	-	-	3,614	(6,406)	-	(6,406)
Streets	41,177	-	-	-	(41,177)	-	(41,177)
Capital outlay	14,949	-	-	-	(14,949)	-	(14,949)
Depreciation, unallocated	44,170	-	-	-	(44,170)	-	(44,170)
Total governmental activities	240,436	11,379	-	3,614	(225,443)	-	(225,443)
Business-type activities:							
Water	286,364	251,815	-	-	-	(34,549)	(34,549)
Sewer	208,163	201,573	-	-	-	(6,590)	(6,590)
Sanitation	131,263	130,660	-	-	-	(603)	(603)
Total business-type activities	625,790	584,048	-	-	-	(41,742)	(41,742)
Total	$ 866,226	$ 595,427	$ -	$ 3,614	(225,443)	(41,742)	(267,185)
		General revenues					
		Taxes			174,541	-	174,541
		Intergovernmental			115,614	-	115,614
		Interest earnings			40,366	19,701	60,067
		Miscellaneous			33,772	-	33,772
		Transfer in (out)			(100,000)	100,000	-
		Total general revenues			264,293	119,701	383,994
		Change in net position			38,850	77,959	116,809
		Net position - beginning			1,521,903	2,620,390	4,142,293
		Net position - ending			$ 1,560,753	$ 2,698,349	$ 4,259,102

GOVERNMENTAL FUND
BALANCE SHEET
September 30, 2024

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
Assets:		
Cash	445,081	
Investments	652,884	
Taxes receivable	9,099	
Unbilled taxes receivable	160,755	
Receivables:		
Due from County	432	
State receivable	25,068	
Other receivables	4,055	
Prepaid items	3,263	
Lease receivable	241,310	
Total assets		1,541,947
Deferred outflows of resources		-
Total assets and deferred outflows of resources		$ 1,541,947
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
Liabilities:		
Due to other funds	205,184	
Accounts payable	3,698	
Accrued salaries and payroll taxes	1,704	
Total liabilities		210,586
Deferred inflows of resources:		
Deferred revenue	7,367	
Deferred grant revenue	13,568	
Leases	228,546	
Unavailable tax revenue	160,755	
Total deferred inflows of resources		410,236
Fund balance:		
Nonspendable	3,263	
Unassigned	917,862	
Total fund balance		921,125
Total liabilities, deferred inflows of resources and fund balance		$ 1,541,947

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE TO NET POSITION OF GOVERNMENTAL ACTIVITIES
September 30, 2024

Total fund balance - governmental fund		921,125
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.		
Cost of capital assets	1,112,429	
Accumulated depreciation	(448,693)	
		663,736
Property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the funds.		7,367
Certain pension related items are recorded as deferred outflow or inflow of resources and recognized in future periods for governmental activities:		
Deferred outflow of resources		8,978
Deferred inflow of resources		(4,232)
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of the following:		
Accrued compensated absences		(2,343)
Net pension liability		(33,878)
Total net position - governmental activities		$ 1,560,753

GOVERNMENTAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
For the Year Ended September 30, 2024

REVENUES		
Taxes	173,470	
Licenses, permits, and other	11,379	
Intergovernmental	115,614	
Interest earnings	40,366	
Grant income	3,614	
Miscellaneous	33,772	
Total revenues		378,215
EXPENDITURES		
General government	118,896	
Public safety	15,280	
Recreation	10,020	
Streets	41,177	
Capital outlay	14,949	
Total expenditures		200,322
Excess (deficiency) of revenues over (under) expenditures		177,893
Other financing sources (uses)		
Transfer out		(100,000)
Net change in fund balance		77,893
Fund balance - beginning		843,232
Fund balance - ending		$ 921,125

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2024

Net change in fund balance - total governmental fund		77,893
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities.		
Depreciation expense	(44,170)	
		(44,170)
Some property taxes will not be collected for several months after the City's fiscal year ends and they are not considered as "available" revenues in the governmental funds. Instead they are counted as deferred tax revenues. They are, however, recorded as revenues in the statement of activities.		1,071
Net pension (asset) liability adjustments:		
Fiscal year 2023 employer PERSI contributions recognized as pension expense in the current year.	(1,504)	
Fiscal year 2024 employer PERSI contributions deferred to subsequent year	1,557	
Pension related amortization expense	5,459	
		5,512
Compensated absences are accrued and expensed in the statements of net position and activities. However, in the governmental funds, the accrual and expense did not meet the same criteria.		(1,456)
Total change in net position - governmental activities		$ 38,850

PROPRIETARY FUNDS
STATEMENT OF NET POSITION
September 30, 2024

	Water	Sewer	Sanitation	Total
ASSETS				
Current assets:				
Investments	83,837	197,909	196	281,942
Due from other funds	-	40,957	200,150	241,107
Receivables:				
Accounts receivable	20,563	24,611	14,641	59,815
Less: allowance for doubtful accounts	(1,028)	(1,231)	(732)	(2,991)
Other receivables	743	1,161	-	1,904
Prepaid items	3,263	3,263	7,931	14,457
Restricted investments	67,986	75,813	-	143,799
Total current assets	175,364	342,483	222,186	740,033
Noncurrent assets:				
Land	23,150	-	-	23,150
Construction in progress	9,388	-	-	9,388
Land improvements	26,983	-	-	26,983
Buildings	53,704	53,795	-	107,499
Equipment	60,369	136,681	-	197,050
Utility systems	3,389,142	2,082,215	-	5,471,357
Less: accumulated depreciation	(912,634)	(1,207,603)	-	(2,120,237)
Net noncurrent assets	2,650,102	1,065,088	-	3,715,190
Total assets	2,825,466	1,407,571	222,186	4,455,223
DEFERRED OUTFLOWS OF RESOURCES				
Pension related items	7,275	5,938	1,436	14,649
LIABILITIES				
Current liabilities:				
Accounts payable	4,823	1,421	5,936	12,180
Accrued salaries and payroll taxes	1,961	1,482	420	3,863
Due to other funds	35,923	-	-	35,923
Accrued interest payable	10,961	5,883	-	16,844
Current portion of bonds payable	27,620	53,112	-	80,732
Total current liabilities	81,288	61,898	6,356	149,542
Noncurrent liabilities:				
Accrued compensated absences	1,964	1,964	758	4,686
Net pension liability	27,450	22,404	5,420	55,274
Bonds payable, net of current portion	1,392,335	113,089	-	1,505,424
Total noncurrent liabilities	1,421,749	137,457	6,178	1,565,384
Total liabilities	1,503,037	199,355	12,534	1,714,926
DEFERRED INFLOWS OF RESOURCES				
Deferred grant revenue	3,694	44,854	1,144	49,692
Pension related items	3,429	2,799	677	6,905
Total deferred inflows of resources	7,123	47,653	1,821	56,597
NET POSITION				
Net investment in capital assets	1,230,147	898,887	-	2,129,034
Restricted for:				
Debt service	67,986	75,813	-	143,799
Unrestricted	24,448	191,801	209,267	425,516
Total net position	$ 1,322,581	$ 1,166,501	$ 209,267	$ 2,698,349

PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Year Ended September 30, 2024

	Water	Sewer	Sanitation	Total
OPERATING REVENUES				
Charges for services	243,918	201,466	130,660	576,044
Hookup and connection fees	7,790	-	-	7,790
Miscellaneous	107	107	-	214
Total operating revenues	251,815	201,573	130,660	584,048
OPERATING EXPENSES				
Administration fee	-	-	695	695
Depreciation	88,042	63,035	-	151,077
Dues	4,066	2,082	-	6,148
Equipment repairs and maintenance	110	744	-	854
Fuel	1,813	1,242	-	3,055
Insurance	4,057	4,058	-	8,115
Legal publications	209	209	42	460
Miscellaneous	4,136	4,314	3,656	12,106
Office supplies	436	1,271	-	1,707
Postage	214	214	99	527
Professional fees	14,794	15,044	9,375	39,213
Salaries, benefits and taxes	73,488	62,062	10,382	145,932
Sanitation, collection and disposal	-	-	107,014	107,014
Software	280	280	-	560
Supplies	8,928	21,247	-	30,175
System repairs and maintenance	32,354	1,772	-	34,126
System utilities	20,020	11,437	-	31,457
Testing	4,762	7,537	-	12,299
Grant expenses	330	-	-	330
Training and travel	307	309	-	616
Utilities	2,890	3,855	-	6,745
Wells pumps	13	-	-	13
Total operating expenses	261,249	200,712	131,263	593,224
Operating income (loss)	(9,434)	861	(603)	(9,176)
NON-OPERATING REVENUES (EXPENSES)				
Transfer in	-	100,000	-	100,000
Interest earnings	5,520	14,171	10	19,701
Interest expense	(25,115)	(7,451)	-	(32,566)
Total non-operating revenues (expenses)	(19,595)	106,720	10	87,135
Change in net position	(29,029)	107,581	(593)	77,959
Net position - beginning of year	1,351,610	1,058,920	209,860	2,620,390
Net position - end of year	$ 1,322,581	$ 1,166,501	$ 209,267	$ 2,698,349

PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
For the Year Ended September 30, 2024

	Water	Sewer	Sanitation	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers	199,385	241,579	129,276	570,240
Cash payments to suppliers for goods and services	(99,025)	(83,365)	(129,667)	(312,057)
Cash payments to employees for services	(66,737)	(56,312)	(10,007)	(133,056)
Net cash provided by (used in) operating activities	33,623	101,902	(10,398)	125,127
CASH FLOWS FROM INVESTING ACTIVITIES:				
Earnings on idle cash and investments	5,520	14,171	10	19,701
Net cash provided by (used in) investing activities	5,520	14,171	10	19,701
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Cash paid for capital assets	-	(19,110)	-	(19,110)
Cash paid for interest on long-term debt	(25,324)	(9,229)	-	(34,553)
Cash paid for principal of long-term debt	(27,146)	(50,947)	-	(78,093)
Net cash provided by (used in) capital and related financing activities	(52,470)	(79,286)	-	(131,756)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Cash received from (paid to) other funds	18,831	(22,638)	10,398	6,591
Change in cash and cash equivalents	5,504	14,149	10	19,663
Cash and cash equivalents - beginning of year	146,319	259,573	186	406,078
Cash and cash equivalents - end of year	$ 151,823	$ 273,722	$ 196	$ 425,741
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES				
Operating income (loss)	(9,434)	861	(603)	(9,176)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	88,042	63,035	-	151,077
Change in pension related items:				
Deferred outflows of resources	3,318	3,042	1,433	7,793
Deferred inflows of resources	1,728	1,357	217	3,302
Decrease (increase) in assets:				
Accounts receivable	(2,054)	(4,848)	(2,528)	(9,430)
Prepaid items	(520)	(520)	(7,217)	(8,257)
Other receivables	(104)	(28)	-	(132)
Increase (decrease) in liabilities:				
Accounts payable	1,318	(7,202)	(1,569)	(7,453)
Accrued salaries and payroll taxes	(332)	305	38	11
Accrued compensated absences	1,217	1,217	478	2,912
Deferred grant revenue	(50,376)	44,854	1,144	(4,378)
Net pension liability	820	(171)	(1,791)	(1,142)
Net cash provided by (used in) operating activities	$ 33,623	$ 101,902	$ (10,398)	$ 125,127
Cash and Cash Equivalents Reconciliation				
Restricted cash and cash equivalents	67,986	75,813	-	143,799
Unrestricted cash and cash equivalents	83,837	197,909	196	281,942
Total cash and cash equivalents	$ 151,823	$ 273,722	$ 196	$ 425,741

NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

NOTE 1 Significant Accounting Policies

The City of Deary, Idaho was incorporated August 27, 1912. The City operates under a Mayor - Council form of government and provides services as authorized by Title 50 of the Idaho Code.

The financial statements of the City of Deary, Idaho have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

Reporting Entity

The City of Deary, Idaho is the basic level of government, which has financial accountability, and control over all activities related to the activities within the City. The Council receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities. However, the City is not included in any other governmental "reporting entity" as defined by GASB pronouncements, since Council members are elected by the public and have decision making authority, the authority to levy taxes, the power to designate management, the ability to significantly influence operations and have primary financial accountability for fiscal matters.

Component units are legally separate organizations for which the City is financially accountable. Component units may also include organizations that are fiscally dependent on the City in that the City approves their budget, the issuance of their debt, or levying of taxes. There are no organizations that meet the definition of a component unit.

Basis of Presentation, Fund Accounting

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the primary government. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of net position presents the City's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference reported as net position. Net position is reported in three categories:

NOTE 1 Significant Accounting Policies (Continued)

Net investment in capital assets consists of capital assets, net of accumulated depreciation and related debt.

Restricted net position consists of net position that has constraints placed on its use externally by grant provisions or law. Assigned net position is further classified as either net position restricted by enabling legislation or net position that is otherwise restricted.

Unrestricted net position consists of net position that does not meet the definition of the two preceding categories. Unrestricted net position often has constraints on resources that are imposed by management, but can be removed or modified.

The statement of activities demonstrates the degree to which the direct expenses of a given function (governmental activities), or identifiable activity (business-type activities) is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or activity. 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 activity; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or activity. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Property taxes, franchise fees, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major funds:

Governmental Funds

- General Fund – This fund is the City's primary operating fund. It accounts for all financial resources of general government, except those required to be accounted for in another fund. General fund activities are financed by revenue from general property taxes, state-shared revenue, and other sources.

Proprietary Funds

- Water Fund – This fund accounts for the provision of water services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, billing and collection.

- Sewer Fund – This fund accounts for the provision of sewer services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, billing and collection.

NOTE 1 Significant Accounting Policies (Continued)

- Sanitation Fund – This fund accounts for the provision of sanitation services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, billing and collection.

Amounts reported as program revenue include (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Likewise, general revenue includes all taxes.

Proprietary funds distinguish operating revenue and expenses from non-operating items. The principal operating revenue of the City's proprietary funds relates to charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenue and expenses.

Basis of Accounting

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

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The City considers all revenues reported in the governmental fund to be available if they are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred, except compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds.

Under the terms of grant agreements, the City funds certain programs by cost-reimbursement grants and general revenues. When program expenses are incurred, the related revenue of cost-reimbursement grants is recognized.

Restricted Resources

The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

NOTE 1 Significant Accounting Policies (Continued)

Statement of Cash Flows

For the purposes of the Statement of Cash Flows, the City considers its investment in the LGIP and all highly liquid debt instruments with a maturity of three months or less to be cash equivalents.

Investments

Investments are deposited in the Idaho State Treasurer's Local Government Investment Pool, which allow cities within the State of Idaho to pool their funds for investment purposes.

Interest income is defined as non-operating revenue.

Deposits in State Treasurer's local government investment pool are stated at cost, which approximates market. All funds are invested in accordance with Section 67-1210 and 67-1210A of the Idaho Code. The primary objectives of the investment pool, in order of priority, are safety, liquidity and yield.

Short-term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet. Short-term interfund loans are classified as "interfund receivables/payables.

Inventory

The City does not record inventory items at year end due to the small number and values of items on hand. All supplies are recorded as expenditures in the period in which they are purchased.

Capital Assets

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

The Council has set a capitalization threshold of $2,500. All purchases and improvements to facilities, which are not considered repairs, are capitalized and depreciated using the straight-line method in the government-wide statements. The estimated useful lives are as follows:

Water Main	40 years
Lagoon	40 years
Buildings and improvements	15-40 years
Vehicles	10 years
Equipment	5–10 years

NOTE 1 Significant Accounting Policies (Continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Leases

The City evaluates each lease agreement at the time of inception to determine the reporting requirements of each lease. Leases that met the definition of a right-of-use (ROU) lease are included as ROU lease assets and ROU lease liabilities on the government-wide financial statements.

ROU assets represent the City's right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of the leases do not provide an implicit rate, the City's incremental borrowing rate, based on the information available at commencement date, is used to determine the present value of lease payments. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the option(s) will be exercised. Lease expense for lease payments is recognized on a straight-line basis over the lease term. Leases with a maximum term of 12 months or less are excluded from the ROU asset and liability amounts.

Subscription-based Information Technology Arrangements (SBITA)

The City evaluates each subscription at the time of inception to determine the reporting requirements of each subscription. SBITAs that met the definition of a right-of-use (ROU) agreement are included as SBITA ROU assets and SBITA ROU liabilities on the government-wide financial statements.

ROU assets represent the City's right to use an underlying IT asset for the IT contract term and ROU liabilities represent the obligation to make lease payments arising from the contract. SBITA ROU assets and liabilities are recognized at commencement date based on the present value of contact payments over the IT contract term. As most of the contracts do not provide an implicit rate, the City's incremental borrowing rate, based on the information available at commencement date, is used to determine the present value of contract payments. The IT contract terms may include options to extend or terminate the contract when it is reasonably certain that the option(s) will be exercised. SBITA expense for contract payments is recognized on a straight-line basis over the contract term. IT contracts with a maximum term of 12 months or less are excluded from the SBITA ROU asset and liability amounts.

Encumbrances

The City does not follow the practice of encumbering funds at year end.

NOTE 1 Significant Accounting Policies (Continued)

Compensated Absences

It is the District's policy to permit employees to accumulate earned but unused vacation, comp, and sick pay benefits. All vacation and comp pay is accrued when incurred in the government-wide and proprietary fund financial statements, sick pay is not paid upon termination. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Fund Balance

The *nonspendable* fund balance category includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The *restricted* fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers (grants), or through enabling legislation. The *committed* fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. Amounts in the *assigned* fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, *assigned* fund balance represents the remaining amount that is not restricted or committed. *Unassigned* fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications. The City applies committed resources, then assigned resources, then unassigned resources when an expenditure is incurred for purposes for which all fund balances classifications are available.

Restricted balances are as follows:

- **Debt Service** – These restricted funds are used to make the principal and interest payments for outstanding general obligation bonds.

Nonspendable balances are as follows:

- **Prepaid items** – Expenditures paid for in the current year determined to be related to future years.

Allowance for Doubtful Accounts

The proprietary funds have an allowance for doubtful accounts which is 5% of the ending customer receivable balance.

Estimates

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

NOTE 1 Significant Accounting Policies (Continued)

Deferred Revenue

Deferred revenue in the general fund represents property taxes recorded but not estimated to be collected within 60 days of the end of the accounting period.

Deferred Grant Revenue

Deferred grant revenue represent grant money that has been received but not yet earned.

Unavailable Tax Revenue

Unavailable tax revenue in the general fund represents the property taxes levied for 2024 that is measurable but unavailable to the City, and therefore recorded as a deferred inflow of resources in both the governmental fund and the government-wide financial statements.

Pensions

For purposes of measuring the net pension (asset) liability, deferred outflows of resources and deferred inflow of resources related to pensions, 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.

Subsequent Events

Management has evaluated subsequent events through the date of the audit report. This is the date the financial statements were available to be issued. Management has concluded that no material subsequent events have occurred.

NOTE 2 Recently Adopted Accounting Guidance

For the year ended September 30, 2024, there was one new GASB statement that became effective. The adoption of the statement has the following effect for the City:

GASB Statement No. 100, Accounting Changes and Error Corrections – This statement delineates required note disclosures when there is a reported accounting change or correction of an error. This statement did not have an effect on the financial reporting of the City.

NOTE 3 Stewardship, Compliance, and Accountability

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

1. The Mayor submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.

2. Public hearings are conducted at the City Hall to obtain taxpayer comments. A notice of the time and place of the proposed public hearing on the budget must be published twice, at least seven days apart, in the official newspaper of the community.

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

The City Council may, at any time during the fiscal year, by using the same procedure which was used in adopting the original appropriation ordinance, amend the appropriation ordinance to a greater amount than adopted. However, this can only happen if, after the adoption of the regular appropriation ordinance, the City receives additional revenue in that fiscal year as a result of an increase in state and federal grants or allocations.

However, other than the foregoing exception, there can be no further appropriations made during the fiscal year unless the proposal to make each new appropriation has been sanctioned by two-thirds of the legal voters of the City. The voters can sanction the new appropriation by a petition signed by the number of voters equal to the majority who voted in the last general City election, or they can sanction it by a majority of favorable votes in a special election. Whichever method is used, all appropriations end with the fiscal year for which they were made.

NOTE 4 Property Tax

The City's property tax is recognized as an asset at the time the City has an enforceable legal claim to the resources (January 1st of each year) and the revenue is recognized in the period for which the taxes are levied. For FY2024, the City has recognized the 2023 levy as revenue and the tax year 2024 levy as an asset.

Tax Year 2023 Levy (FY2024 Revenue)

The market value upon which the 2023 levy was based was $41,186,780. The property tax was levied in October 2023 and was due in two equal installments on December 20th and June 20th.

The total tax levy (per $100 of value) for the year was as follows:

	Percentage	Amount
Levy	37.74366%	$155,797

NOTE 4 Property Tax (Continued)

Tax Year 2024 Levy (FY2024 Asset)

The property tax levy for 2024 has been recorded as an asset in the general fund in the amount of $160,755. This levy is for the FY2025 operations and has been presented as unavailable property tax revenue.

Deferred Revenue

To the extent property taxes are not collected within 60 days of the end of the accounting period, a deferred revenue amount has been recorded.

Total taxes receivable at September 30, 2024	9,099
Less: Taxes estimated to be collected by the County Treasurer by November 30, 2024	(1,732)
Deferred revenue	$ 7,367

NOTE 5 Cash and Investments

Components of cash at September 30, 2024 are as follows:

	Carrying Amount	Bank Balance
Cash in checking	444,862	456,358
Cash on hand	219	-
Total cash	$ 445,081	$ 456,358

Deposits were with Umpqua Bank of which $250,000 was covered by Federal Deposit Insurance. Any balance that is in excess of the FDIC insured limit is uncollateralized and unsecured.

	Insured	Uninsured
Checking accounts	250,000	206,358
Total	$ 250,000	$ 206,358

Investments

Detail of investments at September 30, 2024 are as follows:

	Rate	Maturing Date	Governmental Type	Business Type	Total
Investment in State Treasurer's Pool	Variable	-	$ 652,884	$425,741	$1,078,625

NOTE 5 Cash and Investments (Continued)

Investment Maturities

External Investment Pool	Book Value	Market Value	Less than 1 Year	1-8 Years
State Investment Pool	$1,078,625	$ 1,078,625	$ 1,078,625	$ -

The State Treasurer's Local Government Investment Pool is managed by the State of Idaho Treasurer's office. Authorized investments include bonds, treasury bills, interest-bearing notes, and other obligations of the U.S. Government, general obligation or revenue bonds of the State of Idaho or other local governments within the state of Idaho, bonds, debentures, or other similar obligations issued by the farm credit system or by public corporations of the state of Idaho, repurchase agreements covered by any legal investment for the state of Idaho, tax anticipation bonds or notes and income and revenue anticipation bonds or notes of taxing districts of the state of Idaho, revenue bonds of institutions of higher education of the state of Idaho, and time deposits and savings accounts in amounts not to exceed applicable insurance limits. The primary objectives of the investment pool, in order of priority, are safety, liquidity, and yield.

Participants have overnight availability to their funds, up to $10 million. Withdrawals of $10 million or more require three business days' notification.

The State Treasurer's investment policy and the Local Government Investment Pool financial statements which can be obtained by writing P.O. Box 83720, Boise, ID 83720-0091.

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover its deposits or will not be able to recover collateral securities that are in possession of an outside party. Custodial credit risk for investments is the risk that in the event of the failure of the counter party (e.g., broker-dealer) to a transaction, the City will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The City does not have a policy restricting the amount of deposits and investments subject to custodial credit risk.

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization such as Moody's or Standard & Poor's. The investments of the City at year-end are not required to be rated. The City does not have a policy regarding credit risk.

Interest rate risk is the risk that changes in market interest rates will adversely impact the fair value of an investment. Investments that are fixed for longer periods are likely to experience greater variability in their fair values due to future changes in interest rate. At year-end, the City is not subject to interest rate risk as all investments are held in the State Treasurer's Local Government Investment Pool, which has a maturity of 106 days. The City does not have a policy regarding interest rate risk.

NOTE 5 Cash and Investments (Continued)

Concentration of credit risk is the risk that concentration of investments with one issuer represents heightened risk of potential loss. No specific percentage identifies when concentration risk is present. The Governmental Accounting Standards Board has adopted a principal that governments should provide note disclosure when five percent of the total investments of the entity are concentrated in any on issuer. Investments in obligations specifically guaranteed by the U.S. government, mutual funds, and other pooled investments are exempt from disclosure. The City does not have a policy limiting the amount it may invest in any one issuer.

NOTE 6 Capital Assets

Capital asset activity of the City's governmental activities is as follows:

	Beginning Balance	Additions	Transfers	Deletions	Ending Balance
Governmental Activities:					
Capital assets not being depreciated					
Land	104,805	-	-	-	104,805
Capital assets being depreciated					
Buildings	333,731	-	-	-	333,731
Equipment	258,156	-	-	(18,000)	240,156
Street improvements	232,408	-	-	-	232,408
Park improvements / equipment	201,329	-	-	-	201,329
Subtotal	1,025,624	-	-	(18,000)	1,007,624
Accumulated depreciation					
Buildings	(78,398)	(11,911)	-	-	(90,309)
Equipment	(175,023)	(13,602)	-	18,000	(170,625)
Street improvements	(93,056)	(10,993)	-	-	(104,049)
Park improvements / equipment	(76,046)	(7,664)	-	-	(83,710)
Subtotal	(422,523)	(44,170)	-	18,000	(448,693)
Net capital assets being depreciated	603,101	(44,170)	-	-	558,931
Net capital assets	$ 707,906	$ (44,170)	$ -	$ -	$ 663,736

During FY2024, depreciation expense was unallocated.

NOTE 6 Capital Assets (Continued)

Capital asset activity of the City's business-type activities is as follows:

Business-type Activities:	Beginning Balance	Additions	Transfers	Deletions	Ending Balance
Capital assets not being depreciated					
Land	23,150	-	-	-	23,150
Construction in progress	9,388	-	-	-	9,388
Subtotal	32,538	-	-	-	32,538
Capital assets being depreciated					
Utility systems	5,471,357	-	-	-	5,471,357
Land improvements	26,983	-	-	-	26,983
Buildings	107,499	-	-	-	107,499
Equipment	177,940	19,110	-	-	197,050
Subtotal	5,783,779	19,110	-	-	5,802,889
Accumulated depreciation					
Utility systems	(1,816,576)	(130,732)	-	-	(1,947,308)
Land improvements	(6,977)	(1,221)	-	-	(8,198)
Buildings	(41,945)	(2,866)	-	-	(44,811)
Equipment	(103,662)	(16,258)	-	-	(119,920)
Subtotal	(1,969,160)	(151,077)	-	-	(2,120,237)
Net capital assets being depreciated	3,814,619	(131,967)	-	-	3,682,652
Net capital assets	$ 3,847,157	$(131,967)	$ -	$ -	$ 3,715,190

During FY2024, depreciation was charged to functions as follows:

Water	88,042
Sewer	63,035
Total	$151,077

NOTE 7 Long-term Debt

The following is a summary of revenue bond transactions of the City for the year ended September 30, 2024:

	Sewer Revenue Bonds	Water Revenue Bond	Total
Long-term debt payable at October 1, 2023	217,148	1,447,101	1,664,249
Debt acquired	-	-	-
Debt retired	(50,947)	(27,146)	(78,093)
Long-term debt payable at September 30, 2024	$ 166,201	$1,419,955	$1,586,156

Revenue bonds and loans payable at September 30, 2024 are comprised of the following individual issues:

$800,000 Sewer bond due in annual installments commencing December 1, 2007, interest is stated at 4.25%.	$ 166,201
$1,500,000 Water bond due in annual installments commencing April 28, 2022, interest is stated at 2.75%.	$1,419,955

Sewer Bond, Series 2006

Year Ended September 30,	Principal	Interest	Total
2025	53,112	7,064	60,176
2026	55,370	4,806	60,176
2027	57,719	2,457	60,176
Totals	$ 166,201	$ 14,327	$ 180,528

NOTE 7 Long-term Debt (Continued)

Water Bond, Series 2021

Year Ended September 30,	Principal	Interest	Total
2025	27,620	24,850	52,470
2026	28,103	24,367	52,470
2027	28,595	23,875	52,470
2028	29,031	23,439	52,470
2029	29,603	22,867	52,470
Thereafter	1,277,003	454,507	1,731,510
Totals	$ 1,419,955	$ 573,905	$ 1,993,860

Combined Totals

Year Ended September 30,	Principal	Interest	Total
2025	80,732	31,914	112,646
2026	83,473	29,173	112,646
2027	86,314	26,332	112,646
2028	29,031	23,439	52,470
2029	29,603	22,867	52,470
Thereafter	1,277,003	454,507	1,731,510
Totals	$1,586,156	$ 588,232	$ 2,174,388

Ordinance #334 requires the formation of one account to service the sewer revenue bonds and a bond reserve account. The bond service account requires funding of 1/12 of the annual bond and interest monthly, which totaled $5,015 at September 30, 2024. The bond reserve account requires funding of an amount equal to the average annual debt service which totals $60,176. As of September 30, 2024, the City is holding $75,813 in the State Investment Pool to meet these requirements.

Ordinance #390 requires the formation of one account to service the water bonds, a short-lived asset reserve fund and a bond reserve account. The short-lived asset reserve fund requires an annual deposit of at least $17,380 for the life of the loan to replace equipment or apparatus of the water system with a “short-lived” useful life of one to 15 years. The bond reserve account requires funding of not less than approximately equal payment sufficient to have on deposit by ten years from the issuance of the bond, an amount equal to $52,470. As of September 30, 2024, the City is holding $67,986 in the State Investment Pool to meet these requirements.

NOTE 8 Interfund Receivables, Payables and Transfers

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

	Interfund Receivable	Interfund Payable
General Fund	-	205,184
Water Fund	-	35,923
Sewer Fund	40,957	-
Sanitation Fund	200,150	-
	$ 241,107	$ 241,107

Interfund Transfers – Transfers to support the operations of other funds are recorded as "Transfers" and are classified as "Other financing sources or uses." Total transfers are as follows:

	Out	In
General Fund	100,000	-
Sewer Fund	-	100,000
Total	$ 100,000	$ 100,000

NOTE 9 Pension Plan

In accordance with GASB 68, *Accounting and Financial Reporting for Pensions*, which became effective for the year ended September 30, 2015, the financial reporting and note disclosures are based off the most recent audited financial statements of PERSI, which was completed for the period ended June 30, 2024. All amounts are as of June 30, 2024 unless otherwise noted.

Plan Description

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

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

NOTE 9 Pension Plan (Continued)

Pension Benefits

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

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

Member and Employer Contributions

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

The contribution rates for employees are set by stature at 60% (72%) of the employer rate. As of September 30, 2024 it was 7.18% (10.83%). The employer contribution rate is set by the Retirement Board and was 11.96% (14.65%) of covered compensation. The City's employer contributions required and paid were $13,885 for the year ended September 30, 2024.

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

At September 30, 2024, the City reported a liability of $89,152 for its proportionate the net pension (asset) liability as of June 30, 2024. The net pension (asset) liability was measured as of June 30, 2024, and the total pension (asset) liability used to calculate the net pension (asset) liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension (asset) 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 0.00238332%.

NOTE 9 Pension Plan (Continued)

The City's pension expense (revenue) is calculated and made available as part of PERSI's annual audit. The pension expense (revenue) for the year ended June 30, 2024 was calculated at $25,640.

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	14,194	-
Changes in assumptions or other inputs	3,532	-
Change in proportionate share	185	11,137
Net difference between projected and actual earning on pension plan investments	1,618	-
Employer contributions subsequent to the measurement date	4,098	-
Total	$23,627	$11,137

$4,098 reported as deferred outflow of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension (asset) liability in the year ended September 30, 2025.

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

For the Year Ending June 30:	Amount to be Recognized
2025	4,400
2026	16,623
2027	(2,867)
2028	(2,049)
2029	(7,715)

NOTE 9 Pension Plan (Continued)

Actuarial Assumptions

The following are the actuarial assumptions and the entry age normal cost method, 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 (COLA) adjustments	1.00%

Several different sets of mortality rates are used in the valuation for contributing members, members retired for service and beneficiaries. These rates were adopted for the valuation dated July 1, 2021.

Contributing Members, Service Retirement Members, and Beneficiaries

General Employees and All Beneficiaries - Males	Pub-2010 General Tables, increased 11%.
General Employees and All Beneficiaries - Females	Pub-2010 General Tables, increased 21%.
Teachers - Males	Pub-2010 Teacher Tables, increased 12%.
Teachers - Females	Pub-2010 Teacher Tables, increased 21%.
Fire & Police - Males	Pub-2010 Safety Tables, increased 21%.
Fire & Police - Females	Pub-2010 Safety Tables, increased 26%. 5% of Fire and Police active member deaths are assumed to be duty related. This Assumption was adopted July1, 2021.
Disabled Members - Males	Pub-2010 Disabled Tables, increased 38%.
Disabled Members - Females	Pub-2010 Disabled Tables, increased 36%.

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

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

NOTE 9 Pension Plan (Continued)

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

Discount Rate

The discount rate used to measure the total pension (asset) 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 (asset) liability. The long-term expected rate of return was determined net of pension plan investment expense but without reduction for administrative expense.

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

The following presents the net pension (asset) liability of PERSI employer's calculated using the discount rate of 6.35% as well as what the employer's liability would be if it were calculated using discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease (5.35%)	Current Discount Rate (6.35%)	1% Increase (7.35%)
Employer's proportionate share of the net pension (asset) liability	169,416	89,152	23,596

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 9 Pension Plan (Continued)

Payables to the pension plan

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

NOTE 10 Lease Receivable

The City entered into a lease agreement to lease a building to the USPS on June 1, 2021 for 60 months ending on May 31, 2026, with the option to renew for three additional five-year periods with a discount rate of 1.99% based on the estimated incremental borrowing rate determined by the City. The lease requires monthly payments to be received of $1,200 for the first five-year period, $1,320 for the second five-year period, $1,452 for the third five-year period, and $1,597 for the final five-year period.

Total lease revenue for the year ended September 30, 2024 is as follows:

Lease Revenue	
Building	13,713
Interest Revenue	4,889
Total	$ 18,602

NOTE 10 Lease Receivable (Continued)

Future minimum annual receipts as of September 30, 2024 are as follows:

FY Ending September 30,	Principal	Interest	Total Receipts
2025	9,686	4,714	14,400
2026	10,362	4,518	14,880
2027	11,542	4,298	15,840
2028	11,773	4,067	15,840
2029	12,010	3,830	15,840
2030-2034	69,221	15,259	84,480
2035-2039	85,322	7,606	92,928
2040-2043	31,394	550	31,944
Total Future Receipts	241,310	44,842	286,152

NOTE 11 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 and natural disasters for which the City carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

NOTE 12 Excess of Actual Expenditures Over Budget in Individual Funds

The following fund had an excess of actual expenditures over budget for the fiscal year ended September 30, 2024:

Fund	Excess
Water Fund	$ 20,810
Sanitation Fund	$ 28,213

REQUIRED SUPPLEMENTARY INFORMATION

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended September 30, 2024

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable) Original to Actual	Variance Favorable (Unfavorable) Final to Actual
REVENUES					
Taxes	170,754	170,754	173,470	2,716	2,716
Licenses, permits, and other	23,240	23,240	11,379	(11,861)	(11,861)
Intergovernmental	93,000	93,000	115,614	22,614	22,614
Interest earnings	6,000	6,000	40,366	34,366	34,366
Grant income	-	-	3,614	3,614	3,614
Miscellaneous	16,996	16,996	33,772	16,776	16,776
Total revenues	309,990	309,990	378,215	68,225	68,225
EXPENDITURES					
General government:					
Salaries, employee benefits, and taxes	80,000	80,000	72,086	7,914	7,914
Professional fees	24,000	24,000	17,540	6,460	6,460
Building permits	4,000	4,000	6,337	(2,337)	(2,337)
Office supplies	1,500	1,500	2,560	(1,060)	(1,060)
Legal publications and binding	2,700	2,700	1,122	1,578	1,578
Insurance	4,000	4,000	4,059	(59)	(59)
Utilities	6,000	6,000	5,618	382	382
Travel and meetings	1,500	1,500	-	1,500	1,500
Dues	1,800	1,800	10	1,790	1,790
Repairs and maintenance	500	500	2,418	(1,918)	(1,918)
Shop supplies	1,000	1,000	990	10	10
ARPA expense	2,500	2,500	4,049	(1,549)	(1,549)
Miscellaneous	15,780	15,780	1,705	14,075	14,075
Postage	500	500	402	98	98
Total general government	145,780	145,780	118,896	26,884	26,884
Public safety:					
Contracted services	17,000	17,000	15,280	1,720	1,720
Professional fees	510	510	-	510	510
Total public safety	17,510	17,510	15,280	2,230	2,230

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED)
For the Year Ended September 30, 2024

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable) Original to Actual	Variance Favorable (Unfavorable) Final to Actual
EXPENDITURES (Continued)					
Recreation:					
Lighting	3,250	3,250	6,328	(3,078)	(3,078)
Mowing	3,500	3,500	119	3,381	3,381
Supplies	1,300	1,300	2,091	(791)	(791)
Repair and maintenance	3,700	3,700	332	3,368	3,368
Miscellaneous	550	550	1,150	(600)	(600)
Total recreation	12,300	12,300	10,020	2,280	2,280
Streets:					
Professional fees	200	200	-	200	200
Fuel	3,500	3,500	1,926	1,574	1,574
Street repairs and maintenance	15,000	15,000	14,653	347	347
Lighting	12,000	12,000	6,420	5,580	5,580
System utilities	-	-	2,928	(2,928)	(2,928)
Equipment and vehicle repairs	10,000	10,000	4,243	5,757	5,757
Legal publications	100	100	-	100	100
Shop supplies	1,000	1,000	1,425	(425)	(425)
Land rental	750	750	-	750	750
Gravel	9,300	9,300	9,582	(282)	(282)
Total streets	51,850	51,850	41,177	10,673	10,673
Capital outlay	283,950	283,950	14,949	269,001	269,001
Contingency	25,700	25,700	-	25,700	25,700
Total expenditures	537,090	537,090	200,322	336,768	336,768
Excess (deficiency) of revenues over (under) expenditures	(227,100)	(227,100)	177,893	404,993	404,993
Other financing sources (uses)					
Transfer out	(100,000)	(100,000)	(100,000)	-	-
Net change in fund balance	$ (327,100)	$ (327,100)	77,893	$ 404,993	$ 404,993
Fund balance - beginning			843,232		
Fund balance - ending			$ 921,125		

NET PENSION (ASSET) LIABILITY RELATED SCHEDULES

Schedule of the City's Share of Net Pension (Asset) Liability*
PERSI - Base Plan
As of June 30,

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Employer's portion of the net pension (asset) liability	0.00238332%	0.00271707%	0.00295892%	0.00336053%	0.0032862%	0.0032474%	0.0037855%	0.0037305%	0.0037055%	0.0037867%
Employer's proportionate share of the net pension (asset) liability	89,152	108,429	116,545	(2,654)	76,310	37,068	55,837	58,638	75,117	49,865
Employer's covered payroll	116,798	115,528	116,683	125,410	117,018	110,300	121,793	115,865	109,361	107,046
Employer's proportional share of the net pension (asset) liability as a percentage of its covered payroll	76.33%	93.86%	99.88%	-2.12%	65.21%	33.61%	45.85%	50.61%	68.69%	46.58%
Plan fiduciary net position as a percentage of the total	85.54%	83.83%	83.09%	100.36%	88.22%	93.79%	91.69%	90.68%	87.26%	91.38%

Schedule of City Contributions*
PERSI - Base Plan
As of June 30,

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	13,058	13,794	13,932	14,974	13,972	12,486	13,787	13,116	12,379	12,117
Contributions in relation to the statutorily required contribution	(13,058)	(13,794)	(13,932)	(14,974)	(13,972)	(12,486)	(13,787)	(13,116)	(12,379)	(12,117)
Contribution (deficiency) excess	-	-	-	-	-	-	-	-	-	-
Employer's covered payroll	116,798	115,528	116,683	125,410	117,018	110,300	121,793	115,865	109,361	107,046
Contributions as a percentage of covered payroll	11.18%	11.94%	11.94%	11.94%	11.94%	11.32%	11.32%	11.32%	11.32%	11.32%

*Data is reported is measured as of June 30, 2024.

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
As of June 30, 2024

Change of Assumptions. There were no Change of Assumptions as of June 30, 2024.

SUPPLEMENTARY INFORMATION

WATER FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
For the Year Ended September 30, 2024

	Actual	Final Budget	Variance Favorable (Unfavorable)
OPERATING REVENUES			
Charges for services	243,918	179,700	64,218
Hookup and connection fees	7,790	5,000	2,790
Miscellaneous	107	-	107
Total operating revenues	251,815	184,700	67,115
OPERATING EXPENSES			
Depreciation	88,042	-	(88,042)
Dues	4,066	3,500	(566)
Equipment repairs and maintenance	110	1,000	890
Fuel	1,813	4,000	2,187
Hydrants	-	7,000	7,000
Insurance	4,057	4,000	(57)
Legal publications	209	500	291
Miscellaneous	4,136	2,500	(1,636)
Office supplies	436	1,000	564
Postage	214	700	486
Professional fees	14,794	14,000	(794)
Salaries, benefits and taxes	73,488	58,000	(15,488)
Software	280	-	(280)
Supplies	8,928	3,500	(5,428)
System repairs and maintenance	32,354	14,500	(17,854)
System utilities	20,020	12,500	(7,520)
Testing	4,762	3,000	(1,762)
Training and travel	307	1,000	693
Utilities	2,890	5,500	2,610
Well pumps	13	4,000	3,987
Total operating expenses	260,919	140,200	(120,719)
Operating income (loss)	(9,104)	44,500	(53,604)
NON-OPERATING REVENUES (EXPENSES)			
Grant income	-	105,000	(105,000)
Interest earnings	5,520	3,000	2,520
Interest expense	(25,115)	-	(25,115)
Grant expenses	(330)	(44,000)	43,670
Capital purchases	-	(108,500)	108,500
Principal payments on long-term debt	(27,146)	-	(27,146)
Total non-operating revenues (expenses)	(47,071)	(44,500)	(2,571)
Change in net position	(56,175)	$ -	$ (56,175)
Net position - beginning	1,351,610		
Adjustments to conform with GAAP:			
Principal payments on long term debt	27,146		
Net position - ending	$ 1,322,581		

SEWER FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
For the Year Ended September 30, 2024

	Actual	Final Budget	Variance Favorable (Unfavorable)
OPERATING REVENUES			
Charges for services	201,466	164,000	37,466
Miscellaneous	107	-	107
Intergovernmental	-	27,500	(27,500)
Total operating revenues	201,573	191,500	10,073
OPERATING EXPENSES			
Depreciation	63,035	-	(63,035)
Dues	2,082	2,000	(82)
Equipment repairs and maintenance	744	1,500	756
Fuel	1,242	3,000	1,758
Insurance	4,058	5,000	942
Legal publications	209	400	191
Miscellaneous	4,314	101,850	97,536
Office supplies	1,271	650	(621)
Postage	214	500	286
Professional fees	15,044	8,500	(6,544)
Salaries, benefits and taxes	62,062	46,000	(16,062)
Software	280	-	(280)
Supplies	21,247	16,000	(5,247)
System repairs and maintenance	1,772	1,000	(772)
System utilities	11,437	5,500	(5,937)
Training and travel	309	1,000	691
Testing	7,537	4,000	(3,537)
Utilities	3,855	5,000	1,145
Contingency	-	13,263	13,263
Total operating expenses	200,712	215,163	14,451
Operating income (loss)	861	(23,663)	24,524
NON-OPERATING REVENUES (EXPENSES)			
Interest earnings	14,171	4,500	9,671
Interest expense	(7,451)	(27,160)	19,709
Transfer in	100,000	100,000	-
Capital purchases	(19,110)	(15,073)	(4,037)
Principal payments on long-term debt	(50,947)	(38,604)	(12,343)
Total non-operating revenues (expenses)	36,663	23,663	13,000
Change in net position	37,524	$ -	$ 37,524
Net position - beginning	1,058,920		
Adjustments to conform with GAAP:			
Capital purchases	19,110		
Principal payments on long-term debt	50,947		
Total adjustments to conform with GAAP:	70,057		
Net position - ending	$ 1,166,501		

SANITATION FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
For the Year Ended September 30, 2024

	Actual	Final Budget	Variance Favorable (Unfavorable)
OPERATING REVENUES			
Charges for services	130,660	103,050	27,610
OPERATING EXPENSES			
Administration fee	695	2,900	2,205
Professional fees	9,375	8,138	(1,237)
Legal publications	42	200	158
Miscellaneous	3,656	1,500	(2,156)
Office supplies	-	100	100
Postage	99	200	101
Salaries, benefits and taxes	10,382	10,512	130
Sanitation, collection and disposal	107,014	79,500	(27,514)
Total operating expenses	131,263	103,050	(28,213)
Operating income (loss)	(603)	-	(603)
NON-OPERATING REVENUES (EXPENSES)			
Interest earnings	10	-	10
Change in net position	(593)	$ -	$ (593)
Net position - beginning	209,860		
Net position - ending	$ 209,267		