CITY OF DECLO, IDAHO

Basic Financial Statements

September 30, 2024

CITY OF DECLO, IDAHO

BASIC FINANCIAL STATEMENTS
For the Year Ended September 30, 2024
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FINANCIAL SECTION

Poulsen VanLeuven & Catmull PA

Certified Public Accountants

Members of the American Institute of CPA's
and the Idaho Society of CPA's
Jeffrey D. Poulsen, CPA
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INDEPENDENT AUDITOR'S REPORT

To the Mayor and City Council
City of Declo, ID

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the City, as of September 30, 2024, and the respective changes in financial position and budgetary comparison for the General Fund, 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 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 schedules of employer's share of net pension liability and of employer contributions as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2024, 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.

Poulsen VanLeuven & Catmull

Poulsen VanLeuven & Catmull P.A.

Burley, Idaho
November 14, 2024

CITY OF DECLO, IDAHO

Statement of Net Position
September 30, 2024

ASSETS	Governmental Activities	Business Type Activities	Totals
Cash & Investments	$ 426,936	$ 301,181	$ 728,117
Receivables (Net of Allowances):			
Taxes	339	-	339
Accounts - Note 2	6,886	37,821	44,707
Accrued Interest	1,877	-	1,877
Prepaid Expenses	1,486	4,455	5,941
Due From Other Governments - Note 3	17,912	-	17,912
Inventory - Note 1	-	-	-
Restricted Assets:			
Cash - Note 5	-	20,820	20,820
Capital Assets - Note 4:			
Land	3,000	-	3,000
Other Capital Assets, Net of Depreciation	188,584	614,491	803,075
Other Assets	-	-	-
Total assets	647,020	978,768	1,625,788
DEFERRED OUTFLOWS OF RESOURCES			
Pension obligations	9,476	13,318	22,794
Total Deferred Outflows of Resources	9,476	13,318	22,794
LIABILITIES			
Accounts Payable and Accrued Expenses	11,833	19,998	31,831
Customer Deposits Payable	-	7,250	7,250
Interest Payable	-	139	139
Long-Term Liabilities - Note 6:			
Due Within One Year	-	11,682	11,682
Due in More Than One Year	-	-	-
Net pension liability	39,402	55,375	94,777
Total liabilities	51,235	94,444	145,679
DEFERRED INFLOWS OF RESOURCES			
Employer pension assumption	1,764	2,478	4,242
Total Deferred Inflows of Resources	1,764	2,478	4,242
NET POSITION			
Net Investment in Capital Assets	191,584	602,809	794,393
Restricted for:			
Debt Service - Note 5	-	20,820	20,820
Future Projects	-	-	-
Unrestricted	411,913	271,535	683,448
Total Net Position	$ 603,497	$ 895,164	$ 1,498,661

See accompanying notes to the financial statements.

CITY OF DECLO, IDAHO

Statement of Activities
For the Year Ended September 30, 2024

Functions / Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business Type Activities	Net (Expense) Revenue and Changes in Net Position: Totals
Governmental Activities:							
General Government	$ 120,861	$ 8,585	$ -	$ -	$ (112,276)		$ (112,276)
Fire Protection	39,619	34,056	-	-	(5,563)		(5,563)
Public Safety	4,800	-	-	-	(4,800)		(4,800)
Sanitation	23,651	29,244	-	-	5,593		5,593
Streets & Parks	31,627	-	-	-	(31,627)		(31,627)
Interest	-	-	-	-	-		-
Total Governmental Activities	220,558	71,885	-	-	(148,673)		(148,673)
Business-Type Activities:							
Electric	249,661	304,217	-	-		$ 54,556	54,556
Water	52,821	65,726	-	-		12,905	12,905
Sewer	92,964	70,088	-	-		(22,876)	(22,876)
Total Business-Type Activities	395,446	440,031	-	-		44,585	44,585
Total Primary Government	$ 616,004	$ 511,916	$ -	$ -	(148,673)	44,585	(104,088)
General Revenues							
Property & Sales Taxes & Fines					42,557	-	42,557
In Lieu of Taxes					14,825	-	14,825
Highway Use Tax					33,465		33,465
Other State Revenues					53,399	-	53,399
Grants not Restricted to Specific Programs					-	-	-
Investment Earnings					22,972	558	23,530
Other General Revenues					10,327	47,869	58,196
Sale or Transfer of Capital Assets					-	-	-
Transfers					-	-	-
Total General Revenues and Transfers					177,545	48,427	225,972
Change in Net Position					28,872	93,012	121,884
Net Position Beginning of Year					574,625	802,152	1,376,777
Net Position End of Year					$ 603,497	$ 895,164	$ 1,498,661

See accompanying notes to the financial statements.

CITY OF DECLO, IDAHO

Balance Sheet
Governmental Funds
September 30, 2024

	General Fund
ASSETS	
Cash and temporary investments	$ 426,936
Restricted Cash	-
Receivables:	
Taxes	339
Accounts	6,886
Accrued interest	1,877
Prepaid expenses	1,486
Due from other governments	17,912
Total assets	$ 455,436
LIABILITIES AND FUND EQUITY	
Liabilities:	
Accounts payable and accrued expenses	$ 11,833
Other liabilities	-
Total liabilities	11,833
Deferred inflows of resources:	
Unavailable revenue - property taxes	339
Total deferred inflows of resources	339
Fund Balances	
Fund balance (nonspendable)	-
Fund balance (unassigned)	443,264
Total fund balances	443,264
Total liabilities and fund balances	$ 455,436

See accompanying notes to the financial statements.

CITY OF DECLO, IDAHO

Reconciliation of Total Governmental Fund Balances to
the Statement of Net Position
September 30, 2024

Total Governmental Fund Balances		$	443,264
Amounts reported for governmental activities in the Statement of Net Position is different because:			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			191,584
Other long-term assets are not available to pay for current-period expenditures and therefore are considered unavailable in the funds:			
Property Taxes			339
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.			
General Fund Debt			-
Accrued interest payable			-
Some liabilities, including pension obligations (liability) are not due and payable in the current period and, therefore are not reported in the funds, but are reported on the Statement of Net Position.			(1,764)
Balances at year end:			
Deferred outflows of resources pension expense	7,834		
Deferred outflow of current year employer contributions	1,642		
			9,476
Deferred inflows or resources related to pensions.			(39,402)
Net Position of Governmental Activities		$	603,497

See accompanying notes to the financial statements.

CITY OF DECLO, IDAHO

Statement of Revenues, Expenditures, and
Changes in Fund Balance
Governmental Funds
Year Ended September 30, 2024

	General Fund
Revenues:	
Taxes & fines	$ 42,994
Intergovernmental revenues	86,864
Charges for sanitation, fire & cemetery services	71,885
Payment in lieu of taxes	14,825
Investment earnings	22,972
Grant revenues	-
Other revenues	10,327
Contingency	-
Total revenues	249,867
Expenditures:	
General government	
Salaries, payroll tax and retirement	36,855
Repairs and maintenance	10,141
Insurance	15,220
Cemetery	1,000
Legal and accounting	7,970
Miscellaneous	19,919
Telephone	7,480
Rent	6,000
Fire protection	39,423
Police protection	4,800
Sanitation	23,651
Irrigation	4,929
Streets & parks	23,112
Capital & contingency	-
Total expenditures	200,500
Excess (deficiency) of revenues over expenditures	49,367
Other Financing Sources:	
Sale of capital assets	-
Net change in fund balance	49,367
Fund balance - beginning	393,897
Fund balance - ending	$ 443,264

See accompanying notes to the financial statements.

CITY OF DECLO, IDAHO

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

Net Change in Fund Balances - Total Governmental Funds		$ 49,367
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital outlay less depreciation expense in the current period:		
Capital Outlay	-	
Depreciation expense	(14,258)	
		(14,258)
Because governmental funds report capital outlays as expendutires, when capital assets are sold the proceeds are recorded as revenue. In the statement of activities, a gain or loss on the sale of the asset is reported based on net proceeds and adjusted basis of the asset.		
Difference in gain or loss on sale of capital assets		-
Because some property taxes will not be collected for several months after the City's fiscal year ends, they are not considered as "available" revenues in the governmental funds. This is the current year increase/(decrease) in deferred inflows of property taxes.		(437)
In the statement of activities, interest is accrued on outstanding debt, whereas in government funds, interest is expensed when due.		-
The repayment of principal of long-term debt consumes the current financial resources of governmental funds, however, it has no effect on net position in the statement of activities.		-
In the Governmental Funds, pension contributions are considered an expense, while on the statements of activities the contributions are considered a deferred outflow.		(5,800)
Change in Net Position of Governmental Activities		$ 28,872

See accompanying notes to the financial statements.

CITY OF DECLO, IDAHO

Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
General Fund
Year Ended September 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget: Favorable (Unfavorable)
Revenues:				
Taxes & fines	$ 37,831	37,831	$ 42,994	$ 5,163
Intergovernmental revenues	84,200	84,200	86,864	2,664
Charges for sanitation, fire & cemetery svc	107,000	107,000	71,885	(35,115)
Payment in Lieu of Taxes	7,000	7,000	14,825	7,825
Investment earnings	-	-	22,972	22,972
Grant Revenue	-	250,000	-	(250,000)
Other revenues	17,300	17,300	10,327	(6,973)
Contingency	60,000	60,000	-	(60,000)
Total revenues	313,331	563,331	249,867	(313,464)
Expenditures:				
General government				
Salaries, payroll tax and retirement	58,400	58,400	36,855	21,545
Repairs and maintenance	6,000	6,000	10,141	(4,141)
Insurance	28,850	28,850	15,220	13,630
Cemetery	1,000	1,000	1,000	-
Legal and accounting	7,500	7,500	7,970	(470)
Miscellaneous	82,781	82,781	19,919	62,862
Telephone	6,500	6,500	7,480	(980)
Rent	6,000	6,000	6,000	-
Fire protection	57,000	57,000	39,423	17,577
Police protection	4,800	4,800	4,800	-
Sanitation	28,000	28,000	23,651	4,349
Irrigation	5,500	5,500	4,929	571
Streets & parks	13,000	13,000	23,112	(10,112)
Capital & contingency	8,000	258,000	-	258,000
Total expenditures	313,331	563,331	200,500	362,831
Excess (deficiency) of revenues over expenditures	-	-	49,367	49,367
Other Financing Sources:				
Sale of capital assets	-	-	-	-
Net change in fund balance	-	-	49,367	49,367
Fund balance - beginning	393,897	393,897	393,897	-
Fund balance - ending	$ 393,897	$ 393,897	$ 443,264	$ 49,367

See accompanying notes to the financial statements.

CITY OF DECLO, IDAHO

Statement of Net Position
Proprietary Funds
September 30, 2024

	Business-Type Activities Enterprise Funds			
ASSETS	Electric Fund	Water Fund	Sewer Fund	Totals
Cash and certificates of deposit	$ 224,239	$ (50,380)	$ 127,322	$ 301,181
Receivables (Net of Allowances):				
Accounts	23,613	7,313	6,895	37,821
Prepaid Expenses	1,485	1,485	1,485	4,455
Restricted Assets:				
Cash	-	20,820	-	20,820
Capital Assets:				
Land	-	-	-	-
Other Assets, Net of Depreciation	138,218	122,638	353,635	614,491
Total assets	387,555	101,876	489,337	978,768
DEFERED OUTFLOWS OF RESOURCES				
Pension Obligations	5,863	2,525	4,930	13,318
Total deferred inflows of resources	5,863	2,525	4,930	13,318
LIABILITIES				
Accounts Payable and Accrued Expenses	19,998	-	-	19,998
Accrued bond interest	-	139	-	139
Utility deposits	2,310	2,495	2,445	7,250
Due to other funds	-	-	-	-
Long-Term Liabilities (Revenue Bonds):				
Due Within One Year	-	11,682	-	11,682
Due in More Than One Year	-	-	-	-
Net Pension Liability	24,377	10,500	20,498	55,375
Total liabilities	46,685	24,816	22,943	94,444
DEFERED INFLOWS OF RESOURCES				
Employer Pension Assumption	1,091	470	917	2,478
Total deferred inflows of resources	1,091	470	917	2,478
NET POSITION				
Net Investment in Capital Assets	138,218	110,956	353,635	602,809
Restricted for:				
Debt Service	-	20,820	-	20,820
Unrestricted	207,424	(52,661)	116,772	271,535
Total Net Position	$ 345,642	$ 79,115	$ 470,407	$ 895,164

See accompanying notes to the financial statements.

CITY OF DECLO, IDAHO

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

	Business-Type Activities Enterprise Funds			
	Electric	**Water**	**Sewer**	**Totals**
Operating revenues:				
Charges for service	$ 304,217	$ 65,726	$ 70,088	$ 440,031
Utility purchases	(133,786)	-	-	(133,786)
Gross Profit	170,431	65,726	70,088	306,245
Other revenues	-	-	47,869	47,869
Total operating revenue	170,431	65,726	117,957	354,114
Operating expenses:				
Salaries, payroll tax and retirement	44,317	21,227	42,123	107,667
Maintenance	25,628	12,655	13,288	51,571
Supplies	-	-	-	-
Depreciation	12,404	8,224	27,419	48,047
Insurance	15,112	6,216	6,216	27,544
Payment in lieu of tax	14,825	-	-	14,825
Miscellaneous	1,989	2,129	1,380	5,498
Power	-	-	1,238	1,238
Professional fees	1,600	1,300	1,300	4,200
Total operating expenses	115,875	51,751	92,964	260,590
Operating income (loss)	54,556	13,975	24,993	93,524
Non-operating revenues (expenses)				
Grant revenue	-	-	-	-
Interest income	-	558	-	558
Interest (expense)	-	(1,070)	-	(1,070)
Total non-operating revenues (expenses)	-	(512)	-	(512)
Income/(Loss) before contributions and transfers	54,556	13,463	24,993	93,012
Capital Contributions	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Change in Net Position	54,556	13,463	24,993	93,012
Net Position Beginning of Year	291,086	65,652	445,414	802,152
Net Position End of Year	$ 345,642	$ 79,115	$ 470,407	$ 895,164

See accompanying notes to the financial statements.

CITY OF DECLO, IDAHO

Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2024

	Business-Type Activities Enterprise Funds			
	Electric	**Water**	**Sewer**	**Totals**
Cash flows provided by operating activities:				
Receipts from customers and users	$ 300,218	$ 64,924	$ 70,083	$ 435,225
Payments to suppliers	(174,896)	(24,047)	(23,669)	(222,612)
Payments to employees	(46,487)	(22,428)	(40,089)	(109,004)
Payments for interfund services used	(14,825)	-	-	(14,825)
Other receipts/(payments)	-	-	47,869	47,869
Net cash provided (used) by operating activities	64,010	18,449	54,194	136,653
Cash flows from noncapital and related financing activities:				
Transfers (to)/from other funds	-	-	-	-
Net cash provided (used) by noncapital and related financing activities	-	-	-	-
Cash flows from capital and related financing activities:				
Principal and interest paid on long-term debt	-	(13,198)	-	(13,198)
Capital grants received	-	-	-	-
Purchase or construction of capital assets	-	(17,691)	(72,342)	(90,033)
Net cash used by capital and related financing activities	-	(30,889)	(72,342)	(103,231)
Cash flows from investing activities:				
Interest received on Investments	-	558	-	558
Net cash provided by investing activities	-	558	-	558
Net increase (decrease) in cash	64,010	(11,882)	(18,148)	33,980
Cash at beginning of year (including $31,651 held in restricted accounts for the Water Fund)	160,229	(17,678)	145,470	288,021
Cash at end of year (including $20,820 held in restricted accounts for the Water Fund)	$ 224,239	$ (29,560)	$ 127,322	$ 322,001
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	54,556	13,975	24,993	93,524
Depreciation	12,404	8,224	27,419	48,047
(Increase) decrease in accounts receivable	(4,099)	(902)	(105)	(5,106)
(Increase) decrease in prepaid expenses	(247)	(247)	(247)	(741)
Increase (decrease) in accounts payable	3,466	(1,500)	-	1,966
Increase (decrease) in utility deposits	100	100	100	300
Net non-cash pension (revenue) expense	(2,170)	(1,201)	2,034	(1,337)
Net cash provided (used) by operating activities	$ 64,010	$ 18,449	$ 54,194	$ 136,653

See accompanying notes to the financial statements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of City of Declo have been prepared in conformity with the generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental and business-type activities and to its enterprise funds, provided they do not conflict with or contradict GASB pronouncements. The significant accounting policies of the City are described below.

A. Reporting Entity

The City is governed by an elected City Council which possesses final decision making authority and is held primarily accountable for those decisions. The City Council is responsible for approving the budget, establishing spending limitations, funding any deficits and borrowing funds and/or issuing bonds to finance construction. There are no other boards, councils, or component units for which the City of Declo exercises authority.

B. Government-Wide Financial Statements

The government-wide financial statements, which are the statement of net position and the statement of activities, report information on all of the nonfiduciary activities of the primary government. Governmental activities, which normally are 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 financial condition of the governmental and business-type activities for the City at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities and for the business-type activities of the City. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. 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 that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

C. Fund Financial Statements

During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. The City of Declo has no non-major funds.

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers property tax revenues to be available if they are collected within 60 days of the end of the current fiscal period and other revenues if they are collected within 90 days of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The government reports the following major governmental funds:

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

The government reports the following major proprietary funds:

The Electric fund accounts for the operations of providing electricity to the citizens of the City

The Water Fund accounts for the operations of providing water to the citizens of the City

The Sewer Fund accounts for the operations of the City's sewer system

Amounts reported as program revenues include charges to customers for goods and services, operating grants and contributions, and capital grants and contributions. All taxes are reported as general revenues as are internally dedicated resources.

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 proprietary funds are charges to customers for sales and services. Operating expenses for enterprise funds 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.

E. Deposits and Investments

Deposits: Custodial credit risk, in the case of deposits, is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The City has no deposit policy for custodial credit risk. At year end, the City had no exposure to custodial credit risk for deposits.

Investments: Custodial credit risk, in the case of investments, is the risk that in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At year end, the City held the following investments:

Investment Type	Fair Value	Maturity
ID State Local Government Investment Pool	$ 442,605	84 days

This investment is an unrated external investment pool sponsored by the Idaho State Treasurer's Office. It is classified as "Investments in an External Investment Pool" and is exempt from custodial credit risk and concentration of credit risk reporting. Interest rate risk is summarized as follows: Asset-backed securities are reported using weighted average life to more accurately reflect the projected term of the security, considering interest rates and repayment factors.

The elected Idaho State Treasurer, following Idaho Code, Section 67-2328, is authorized to sponsor an investment pool in which the City voluntarily participates. The Pool is not registered with the Securities and Exchange Commission or any other regulatory body - oversight is with the State Treasurer, and Idaho Code defines allowable investments. All investments are entirely insured or collateralized with securities held by the Pool or by its agent in the Pool's name. And the fair value of the City's position in the external investment pool is the same as the value of the pool shares.

Credit Risk: The City's policy is to comply with Idaho State statutes which authorize the City to invest in obligations of the United States, obligations of the State or any taxing district in the State, obligations issued by the Farm Credit System, obligations of public corporations of the State of Idaho, repurchase agreements, tax anticipation notes of the State or taxing district in the State, time deposits, savings deposits, revenue bonds of institutions of higher education, and the State Treasurer's Investment Pools.

F. Inventory

Inventories at year end are considered immaterial and have not been accounted for.

G. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, lighting systems and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. All material fixed assets are valued at historical cost. Donated fixed assets are valued at their estimated fair value on the date donated. When an asset is disposed of, cost and related accumulated depreciation are removed, and any gain or loss arising from its disposal is credited or charged to operations. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

Depreciation of all exhaustible fixed assets is charged as an expense against operations. Capital assets are reported net of accumulated depreciation on the statement of net assets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are: Buildings 25-40 years, Improvements 10-45 years, Equipment 3-10 years.

H. Long-Term Liabilities

Long-term liabilities consist of bonds, notes, and other indebtedness.

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net assets.

I. Budgets and Budgetary Accounting

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

1. Prior to certifying the tax levy to the county commissioners, and prior to passing the annual appropriation ordinance, a public meeting shall be held to adopt a budget by a favorable vote of a majority of the members of the council.

2. Budgets for all funds are adopted on a basis other than generally accepted accounting principals. Uncommitted appropriations lapse at every year end.

3. Revisions to the budget can only be made by court order, public hearing, or in case of certain emergencies as defined by law.

J. Accumulated Unpaid Vacation, Sick Pay, and Other Employee Benefit Amounts
Accumulated unpaid vacation, sick pay, and other employee benefit amounts have not been accrued in the financial statements. The amount is not material to the financial statements.

K. Encumbrances
Encumbrance accounting under which purchase orders, contracts, and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the City because it is not considered necessary at present to assure effective budgetary control or to facilitate effective cash planning and control.

L. Fund Classifications

Fund Balance Reserves - The City has adopted GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions". This Statement establishes criteria for classifying governmental fund balances into specifically defined classifications. Classifications are hierarchical and are based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the funds may be spent. Application of the Statement requires the City to classify and report amounts in the appropriate fund balance classifications. The City's accounting and finance policies are used to interpret the nature and/or requirements of the funds and their corresponding assignment of restricted, committed, assigned or unassigned.

The City reports the following classifications as applicable:

Non-spendable Fund Balance - Non-spendable fund balances are amounts that cannot be spent because they are either: (a) not in spendable form - such as inventory or prepaid insurance, or (b) legally or contractually required to be maintained intact - such as a trust that must be retained in perpetuity.

Restricted Fund Balance - Restricted fund balances are amounts that cannot be spent because they are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. Restrictions are placed on fund balances when legally enforceable legislation establishes a specific purpose for the funds. Legal enforceability means that the City can be compelled by an external party (e.g. citizens, public interest groups, the judiciary) to use resources created by enabling legislation only for the purposes specified by the legislation.

Committed Fund Balance - Committed fund balances are amounts that can only be used for specific purposes as a result of constraints imposed by the City Council. Amounts in the committed fund balance classification may be used for other purposes with appropriate due process by the City Council. Committed fund balances differ from restricted balances because the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

Assigned Fund Balance - Assigned fund balances are amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by: (a) the secretary/treasurer, or (b) an appointed body (e.g. a budget or finance committee) or an official to which the City Council have delegated the authority to assign, modify, or rescind amounts to be used for specific purposes. Assigned fund balance includes: (a) all remaining amounts that are reported in governmental funds (other than the general fund) that are not classified as non-spendable, restricted, or committed, and (b) amounts in the general fund that are intended to be used for a specific purpose. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service, or permanent fund, are assigned for purposes in accordance with the nature of their fund type. Assignment within the general fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the City itself.

Unassigned Fund Balance - Unassigned fund balance is the residual classification for the general fund. This classification represents general fund balance that has not been assigned to other funds, and that has not been restricted, committed, or assigned to specific purposes within the general fund.

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

N. Application of Restricted or Unrestricted Resources
The City's policy is to first apply unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

O. Pensions
For purposes of measuring the net pension liability and pension expense, information about the fiduciary net position of the Public Employee Retirement System of Idaho Base Plan (Base Plan) and additions to/deductions from Base Plan's fiduciary net position have been determined on the same basis as they are reported by the Base Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 2: ACCOUNTS RECEIVABLE

The City has experienced very little bad debt expense in the past related to accounts receivable. Therefore, no allowance for bad debts has been recorded against the accounts receivable balances.

NOTE 3: DUE FROM OTHER GOVERNMENTS

The amount due from other governments consisted of the following:

State liquor apportionment		2,970
State highway use tax		4,255
State revenue sharing		10,687
Total	$	17,912

NOTE 4: CAPITAL ASSETS

A summary of changes in capital assets is as follows:

	Balance 9/30/23	Additions	Deletions	Balance 9/30/24
Governmental Activities				
Land (non-depreciable)	$ 3,000	$ -	$ -	$ 3,000
Buildings	93,069	-	-	93,069
Improvements other than buildings	146,353	-	-	146,353
Equipment	189,443	-	-	189,443
Total	431,865	-	-	431,865
Accumulated Depreciation:				
Buildings	38,197	2,164	-	40,361
Improvements other than buildings	42,281	6,230	-	48,511
Equipment	145,545	5,864	-	151,409
Total	226,023	14,258	-	240,281
Net Book Value:				
Land (non-depreciable)	3,000	-	-	3,000
Buildings	54,872	(2,164)	-	52,708
Improvements other than buildings	104,072	(6,230)	-	97,842
Equipment	43,898	(5,864)	-	38,034
Total	$ 205,842	$ (14,258)	$ -	$ 191,584
Business-type Activities				
Electric Fund				
Land (non-depreciable)	$ -	$ -	$ -	$ -
Construction in Process	-	-	-	-
Buildings	19,600	-	-	19,600
Improvements other than buildings	297,892	-	-	297,892
Equipment	34,409	-	-	34,409
Total	351,901	-	-	351,901
Accumulated Depreciation:				
Buildings	9,137	565	-	9,702
Improvements other than buildings	170,524	10,408	-	180,932
Equipment	21,620	1,429	-	23,049
Total	201,281	12,402	-	213,683
Net Book Value:				
Land (non-depreciable)	-	-	-	-
Construction in Process	-	-	-	-
Buildings	10,463	(565)	-	9,898
Improvements other than buildings	127,368	(10,408)	-	116,960
Equipment	12,789	(1,429)	-	11,360
Total	$ 150,620	$ (12,402)	$ -	$ 138,218

	Balance 9/30/23	Additions	Deletions	Balance 9/30/24
Water Fund				
Land (non-depreciable)	$ -	$ -	$ -	$ -
Buildings	17,600	-	-	17,600
Improvements other than buildings	351,619	-	-	351,619
Equipment	82,936	17,691	-	100,627
Total	452,155	17,691	-	469,846
Accumulated Depreciation:				
Buildings	8,804	485	-	9,289
Improvements other than buildings	316,854	2,393	-	319,247
Equipment	13,326	5,346	-	18,672
Total	338,984	8,224	-	347,208
Net Book Value:				
Land (non-depreciable)	-	-	-	-
Buildings	8,796	(485)	-	8,311
Improvements other than buildings	34,765	(2,393)	-	32,372
Equipment	69,610	12,345	-	81,955
Total	$ 113,171	$ 9,467	$ -	$ 122,638
Sewer Fund				
Land (non-depreciable)	$ -	$ -	$ -	$ -
Buildings	-	-	-	-
Improvements other than buildings	1,432,148	40,630	-	1,472,778
Equipment	56,769	31,712	-	88,481
Total	1,488,917	72,342	-	1,561,259
Accumulated Depreciation:				
Buildings	-	-	-	-
Improvements other than buildings	1,133,169	25,551	-	1,158,720
Equipment	47,036	1,868	-	48,904
Total	1,180,205	27,419	-	1,207,624
Net Book Value:				
Land (non-depreciable)	-	-	-	-
Buildings	-	-	-	-
Improvements other than buildings	298,979	15,079	-	314,058
Equipment	9,733	29,844	-	39,577
Total	$ 308,712	$ 44,923	$ -	$ 353,635

All assets are being depreciated using the straight line method over the respective estimated lives described in Note 1.

The City has elected not to retroactively report infrastructure assets. Therefore, only infrastructure assets acquired subsequent to September 30, 2003 are reported in the financial statements. Infrastructure assets not reported consist mainly of roads.

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

General Government	$	5,547
Fire Protection		196
Streets & Parks		8,515
Total Governmental Activities Depreciation	$	14,258

NOTE 5: RESTRICTED CASH

The Water Bond ordinance requires a minimum reserve fund of $13,198. The City is in compliance with this requirement.

NOTE 6: LONG-TERM DEBT

Bonds payable at the end of the fiscal year consisted of one Water Revenue Bond which is being held by the US Department of Agriculture, Rural Development Division. Payments of $13,198 are due for 26 years, which include interest at 5.125%, and are made from the Water Fund.

The following is the schedule of long-term debt to maturity:

FYE Sept. 30	Principal	Interest	Total
2025	11,682	599	12,281
	$ 11,682	$ 599	$ 12,281

A summary of changes in long-term debt is as follows:

	Balance at 9/30/2023	Additions	Reductions	Balance at 9/30/2024
Water Revenue Bond	$ 23,667	$ -	$ (11,985)	$ 11,682
	$ 23,667	$ -	$ (11,985)	$ 11,682

NOTE 7: PROPERTY TAXES

Property taxes are levied by the 2nd Monday in September, in conformity with Title 31, Section 1605, of the Idaho State Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before December 20 and June 20 of the year following the year in which imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. For governmental fund purposes, property tax revenues are considered available when they become due or past due and receivable within the current period and those expected to be collected during a 60 day period after the close of the fiscal year.

NOTE 8: STATEMENT OF CASH FLOWS

For purposes of the statement of cash flows, the Enterprise Funds consider all checking, savings, and certificates of deposit with maturity dates within 90 days to be cash and cash equivalents.

Cash paid for interest was $1,070 from the Water Fund.

NOTE 9: RISK MANAGEMENT/INSURANCE COVERAGE

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. The City has transferred most of its risk by purchasing commercial insurance. Workman's Compensation insurance is purchased through the Idaho State Insurance Fund.

All other insurance has been purchased through ICRMP (Idaho Counties Risk Management Program), which expires October 1, but is renewed annually. The policy coverages include: Buildings, Structures and Personal Property/Automobile Physical Damage, Comprehensive General Liability, Automobile Liability, Errors and Omissions Liability, Crime Insurance, Boiler and Machinery.

NOTE 10: LITIGATION, CONTINGENT LIABILITIES AND OTHER COMMITMENTS

There is no litigation, present or pending, against the City.

The City signed a lease agreement with the North Cassia Rural Fire Protection District in 2008 for office space in the new fire station owned by the District. The lease calls for monthly payments of $500 for 20 years.

NOTE 11: PENSION PLAN

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

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

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

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

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

The contribution rates for employees are set by statute at 60% of the employer rate. As of June 30, 2024 it was 6.71%. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.18%. The City's contributions were $14,363 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 year end, 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 .00253372 percent.

For the year ended September 30, 2024, the City recognized pension expense (revenue) of $(4,464). 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	$ 15,089	$ -
Changes in assumptions or other inputs	3,755	
Net difference between projected and actual earnings on pension plan investments	(1,720)	-
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions		4,242
City contributions subsequent to the measurement date	3,950	-
Total	$ 21,074	$ 4,242

The $3,950 reported as deferred outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2024.

The average of the expected remaining service lives of all employees that are provided with pensions through the System (active and inactive employees) determined at July 1, 2024 the beginning of the measurement period ended June 30, 2023 is 4.6 and 4.6 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 Sept 30	
2025	5,720.78
2026	17,671.50
2027	(3,047.42)
2028	(2,178.24)

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

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

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

Contributing Members, Service Retirement Memebers, and Beneficiaries
General Employees and All Beneficiaries - Males Pub-2010 General Tables, increased 11%.
General Employees and All Beneficiaries - Females Pub-2010 Genearl Tables, increased 21%.
Disabled Members - Males Pub-2010 Disabled Tables, increased 38%.
Disabled Members - Females Pub-2010 Disabled Tables, increased 36%.

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

The long-term expected rate of return on pension plan investments was determined using the building block approach and a forward-looking model in which best estimate 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.

	2024	
Asset Class	**DB Plans**	**Sick Leave**
Fixed Income	30.00%	50.00%
US/Global Equity	55.00%	39.30%
International Equity	15.00%	10.70%
Cash	0.00%	0.00%
Total	100.00%	100.00%

Discount Rate - The discount rate used to measure the total pension liability was 6.35%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate. Based on these assumptions, the pension plans' net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all 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)	$ 180,107	$ 94,777	$ 25,085

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

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

Payables to the pension plan - At year end the City reported no payables to the defined benefit pension plan for legally required employer contributions and for legally required employee contributions which had been withheld from employee wages but not yet remitted to PERSI.

NOTE 12: SUBSEQUENT EVENTS

Subsequent events have been evaluated through the auditor's report date, which is the date the financial statements were available to be issued.

NOTE 13: EXPENDITURES IN EXCESS OF BUDGET

Actual expenditures were less than budgeted expenditures in all funds.

REQUIRED SUPPLEMENTAL INFORMATION

CITY OF DECLO
SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY
SCHEDULE OF EMPLOYER'S CONTRIBUTIONS
For the Year Ended September 30, 2024

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Employer's portion of the net pension liability	0.0024613%	0.0027411%	0.0027296%	0.0028982%	0.0029549%	0.0031395%	0.0031433%	0.00304303%	0.00270090%	0.00253372%
Employer's proportionate share of the net pension liability	$ 32,411	$ 55,566	$ 42,905	$ 42,749	$ 33,729	$ 72,903	$ (2,483)	$ 119,858	$ 107,784	$ 94,777
Employer's covered-employee payroll	85,953	81,996	84,333	92,754	99,936	111,328	116,828	119,486	114,373	115,877
Employer's proportionate share of the net pension liability as a percentage of its covered employee payroll	37.71%	67.77%	50.88%	46.09%	33.75%	65.49%	-2.13%	100.31%	94.24%	81.79%
Plan fiduciary net position as a percentage of the total pension liability	91.38%	87.26%	90.68%	91.69%	93.79%	88.22%	100.36%	83.09%	83.83%	85.54%

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

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

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Statutorily required contribution	$ 8,051	$ 9,282	$ 9,740	$ 10,500	$ 11,313	$ 12,602	$ 13,949	$ 14,266	$ 13,656	$ 12,955
Contributions in relation to the statutorily required contribution	7,907	9,282	9,740	10,500	11,313	$ 12,602	$ 13,949	$ 14,266	$ 13,656	$ 13,836
Contribution (deficiency) excess	-	-								
Employer's covered-employee payroll	$ 85,953	$ 81,996	$ 84,333	$ 92,754	$ 99,936	$ 111,328	116,828	119,486	114,373	115,877
Contributions as a percentage of covered-employee payroll	9.37%	11.32%	11.55%	11.32%	11.32%	11.32%	11.94%	11.94%	11.94%	11.18%

Data reported is measured as of September 30, 2024

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

Poulsen VanLeuven & Catmull PA

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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 Mayor and City Council
City of Declo, ID

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 Declo, Idaho, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise City of Declo, Idaho's basic financial statements, and have issued our report thereon dated November 14, 2024.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control, described in 2024-1 of the accompanying schedule of findings and responses that we consider to be a significant deficiency in internal control over financial reporting.

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*.

City of Declo's Response to Findings

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

Purpose of This Report

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

Poulsen VanLeuven & Catmull

Poulsen VanLeuven & Catmull P.A.

Burley, Idaho
November 14, 2024

Finding 2024-1: Lack of segregation of duties - Repeat Finding

Condition: The City lacks a segregation of duties over accounting functions, including stewardship of cash and cash equivalents.

Criteria: Inherent in an adequate internal control structure is a segregation of duties governing the overall administration and stewardship of assets.

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

Recommendation: It is suggested the City take such actions as hiring another person to assist in accounting duties, including the reconciling of cash and cash equivalents.

Response: City management believes the cost of hiring another person outweighs the benefit to be derived, as mitigating controls are currently in place such as council review of all disbursements, two signatures required on all checks, and periodic council review of financial reports prepared by the clerk.