CITY OF DUBOIS - STATE OF IDAHO
DUBOIS, IDAHO
ANNUAL FINANCIAL REPORT
and
COMPLIANCE REPORTS
with
INDEPENDENT AUDITOR'S REPORT
For the Year Ended September 30, 2024

CITY OF DUBOIS - STATE OF IDAHO
ANNUAL FINANCIAL REPORT
For the Year Ended September 30, 2024

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Searle Hart & Associates, PLLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of Dubois - State of Idaho
Dubois, Idaho

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the City of Dubois, 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 financial position of the City of Dubois, Idaho, as of September 30, 2024, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of City of Dubois, 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.

Management's Responsibility for the Financial Statements

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

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

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that

an audit conducted in accordance with GAAS and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, 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 Dubois' 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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about City of Dubois' 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that supplementary information such as management's discussion and analysis and required supplementary information on pages 32 - 39 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. 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 response to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Dubois, Idaho's basic financial statements. The accompanying Schedule of Bonds – Future Principal and Interest Requirements is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated July 9, 2025, on our consideration of City of Dubois, Idaho's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Searle Hart + Associates PLLC

Idaho Falls, Idaho
July 9, 2025

FINANCIAL SECTION

CITY OF DUBOIS - STATE OF IDAHO
STATEMENT OF NET POSITION
September 30, 2024

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash and cash equivalents	$ 1,265,358	$ 578,724	$ 1,844,082
Investments	-	-	-
Taxes receivable	1,973	-	1,973
Receivables	-	47,944	47,944
Restricted cash	-	39,036	39,036
Due from other governmental agencies	38,840	-	38,840
Inventories	-	-	-
Other assets	4,065	7,621	11,686
Capital Assets			
Land and other assets not being depreciated	12,310	-	12,310
Infrastructure and infrastructure in progress	217,410	4,076,868	4,294,278
Buildings	188,313	-	188,313
Equipment and furniture	229,987	279,391	509,378
Less: accumulated depreciation	(180,475)	(2,512,789)	(2,693,264)
Total Capital Assets	467,545	1,843,470	2,311,015
Investment in joint venture	564,277	-	564,277
TOTAL ASSETS	2,342,058	2,516,795	4,858,853
DEFERRED OUTFLOWS			
Pension	8,453	8,452	16,905
Other	-	-	-
TOTAL DEFERRED OUTFLOWS	$ 8,453	$ 8,452	$ 16,905

The notes to the financial statements are an integral part of this statement.

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
LIABILITIES			
Accounts payable and accrued expenses	$ 19,957	$ 11,107	$ 31,064
Due to other governmental agencies	-	-	-
Long-term liabilities			
Due within one year			
Bonds, capital leases and contracts	-	54,196	54,196
Accrued interest	-	9,691	9,691
Compensated absences	3,849	-	3,849
Postemployment benefits payable	-	-	-
Due in more than one year			
Bonds, capital leases and contracts	-	515,266	515,266
Accrued interest	-	-	-
Compensated absences	-	-	-
Net pension liability	51,465	51,464	102,929
TOTAL LIABILITIES	75,271	641,724	716,995
DEFERRED INFLOWS			
Pension	-	-	-
TOTAL DEFERRED INFLOWS	-	-	-
EQUITY IN NET POSITION OF JOINT VENTURE	564,277	-	564,277
NET POSITION			
Net investment in capital assets	467,545	1,264,317	1,731,862
Restricted for:			
Capital projects	-	-	-
Debt Service	-	39,036	39,036
Other projects	-	-	-
Unrestricted	1,243,418	580,170	1,823,588
TOTAL NET POSITION	1,710,963	1,883,523	3,594,486
TOTAL NET POSITION AND EQUITY IN NET POSITION OF JOINT VENTURE	$ 2,275,240	$ 1,883,523	$ 4,158,763

CITY OF DUBOIS - STATE OF IDAHO
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2024

FUNCTIONS/PROGRAMS	Expenses	Program Revenue: Charges for Services	Program Revenue: Operating Grants and Contributions	Program Revenue: Capital Grants and Contributions
Primary government				
Governmental activities:				
General government	$ 150,419	$ 950	$ 77,557	$ -
Public safety	36,174	425	-	-
Public works	296,163	-	149,951	-
Health, welfare and sanitation	-	-	-	-
Culture and recreation	60,362	102,000	-	-
Education	1,000	-	-	-
Conservation and economic development	-	-	-	-
Interest on long-term debt	-	-	-	-
TOTAL GOVERNMENTAL ACTIVITIES	544,118	103,375	227,508	-
Business-type activities:				
Water Fund	191,002	203,031	-	-
Sewer Fund	186,227	125,357	-	36,251
TOTAL BUSINESS-TYPE ACTIVITIES	377,229	328,388	-	36,251
TOTAL PRIMARY GOVERNMENT	$ 921,347	$ 431,763	$ 227,508	$ 36,251
General revenues:				
Taxes:				
Property taxes, levied for general purposes				
Property taxes, levied for debt service				
Franchise taxes				
Public service taxes				
Grants and contributions not restricted to specific programs				
Unrestricted investment earnings				
Miscellaneous				
Pension expense				
Special item - gain/(loss) on sale of asset				
Transfers				
TOTAL GENERAL REVENUES, SPECIAL ITEMS, AND TRANSFERS				
Change in net position				
NET POSITION - October 1, 2023				
NET POSITION, SEPTEMBER 30, 2024				

The notes to the financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
$ (71,912)	$	$ (71,912)
(35,749)		(35,749)
(146,212)		(146,212)
-		-
41,638		41,638
(1,000)		(1,000)
-		-
-		-
(213,235)		(213,235)
	12,029	12,029
	(24,619)	(24,619)
	(12,590)	(12,590)
(213,235)	(12,590)	(225,825)
68,499	-	68,499
-	-	-
89,558	-	89,558
-	-	-
72,443	-	72,443
58,516	-	58,516
5,389	26,455	31,844
(13,516)	(13,516)	(27,032)
-	-	-
-	-	-
280,889	12,939	293,828
67,654	349	68,003
2,207,586	1,883,174	4,090,760
$ 2,275,240	$ 1,883,523	$ 4,158,763

CITY OF DUBOIS - STATE OF IDAHO
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2024

	GENERAL FUND	ROAD AND BRIDGE	TOTAL GOVERNMENTAL FUNDS
ASSETS			
Cash and cash equivalents	$ 1,175,174	$ 90,184	$ 1,265,358
Investments	-	-	-
Taxes receivable, net	1,973	-	1,973
Due from other funds	-	-	-
Receivable from other governments	32,566	6,274	38,840
Other receivables	-	-	-
Inventories	-	-	-
Prepaid expenses	4,065	-	4,065
TOTAL ASSETS	1,213,778	96,458	1,310,236
DEFERRED OUTFLOWS	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS	$ 1,213,778	$ 96,458	$ 1,310,236
LIABILITIES			
Accounts payable	$ 17,417	$ 2,540	$ 19,957
Negative cash	-	-	-
Due to other funds	-	-	-
Payable to other governments	-	-	-
Other accrued expenses	-	-	-
Other payables	-	-	-
TOTAL LIABILITIES	17,417	2,540	19,957
DEFERRED INFLOWS			
Revenue unavailable for use	656	-	656
FUND BALANCES			
Nonspendable	4,065	-	4,065
Restricted	-	-	-
Assigned	-	93,918	93,918
Unassigned	1,191,640	-	1,191,640
TOTAL FUND BALANCES	1,195,705	93,918	1,289,623
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	$ 1,213,778	$ 96,458	$ 1,310,236

The notes to the financial statements are an integral part of this statement.

CITY OF DUBOIS - STATE OF IDAHO
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
September 30, 2024

Total fund balance, governmental funds:	$	1,289,623
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.		467,545
Certain other long-term assets are not available to pay current period expenditures and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position. This is the amount reported as revenue unavailable for use in the fund financial statements.		656
A net pension liability for the measured portion of the present value of projected benefit payments is reported on the Statement of Net Position, but not in the fund financial statements.		
Deferred outflows associated with the net pension liability		8,453
Deferred inflows associated with the net pension liability		-
Net pension liaibility		(51,465)
The investment in the joint venture is not reflected on the governmental funds balance sheet, but is reflected in the Statement of Net Position.		564,277
Some liabilities, (such as Notes Payable, Capital Lease Contract Payable, Long-term Compensated Absences, and Bonds Payable), are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position.		(3,849)
Net position of governmental activities in the Statement of Net Position:	$	2,275,240

CITY OF DUBOIS - STATE OF IDAHO
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended September 30, 2024

	GENERAL FUND	ROAD AND BRIDGE	TOTAL GOVERNMENTAL FUNDS
REVENUES			
Property taxes	$ 69,287	$ -	$ 69,287
Fees and fines	425	-	425
Licenses and permits	100	-	100
Intergovernmental	231,593	149,951	381,544
Charges for services	102,700	-	102,700
Investment earnings	58,516	-	58,516
Miscellaneous	13,504	-	13,504
TOTAL REVENUES	476,125	149,951	626,076
EXPENDITURES			
Current:			
General government	145,402	-	145,402
Public safety	36,174	-	36,174
Public works	-	282,178	282,178
Health and sanitation	-	-	-
Culture and recreation	60,362	-	60,362
Education	1,000	-	1,000
Conservation/economic development	-	-	-
Debt Service:			
Principal	-	-	-
Interest and other charges	-	-	-
Capital outlay	158,410	-	158,410
TOTAL EXPENDITURES	401,348	282,178	683,526
Excess (deficiency) of revenues over expenditures	74,777	(132,227)	(57,450)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-
SPECIAL ITEM			
Proceeds from sale of assets	-	-	-
Net change in fund balances	74,777	(132,227)	(57,450)
Fund Balances, Oct. 1, 2023	1,120,928	226,145	1,347,073
FUND BALANCES, SEPT. 30, 2024	$ 1,195,705	$ 93,918	$ 1,289,623

The notes to the financial statements are an integral part of this statement.

CITY OF DUBOIS - STATE OF 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:	$	(57,450)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period.		
This is the amount by which capital outlays of $158,410 were exceeded by depreciation of $29,061 in the current period.		129,349
Governmental funds report the entire net sales price (proceeds) from sale of an asset as revenue because it provides current financial resources. In contrast, the Statement of Activities reports only the gain on the sale of the assets. Thus, the change in net position differs from the change in fund balance by the cost of the asset sold.		-
Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the Statement of Activities when earned. This is the net change in revenue unavailable for use.		(788)
Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:		
Net change in accrued interest not reflected in governmental funds:		-
Net change in pension expense not reflected in the governmental funds:		(5,637)
Governmental funds do not recognize compensated absences as expenditures until they are paid. In contrast, the Statement of Activities treats compensated absences as a long-term liability. This amount is the net change in the compensated absence liability.		2,180
Change in net position of governmental activities:	$	67,654

CITY OF DUBOIS - STATE OF IDAHO
STATEMENT OF NET POSITION - PROPRIETARY FUND TYPES
September 30, 2024

	WATER FUND	SEWER FUND	TOTAL
ASSETS			
Cash and short-term investments	$ 447,147	$ 131,577	$ 578,724
Prepaid services	3,398	4,223	7,621
Utility accounts receivable	29,027	18,917	47,944
Restricted assets:			
Cash and short-term investments	-	39,036	39,036
Property, plant and equipment	2,242,571	2,113,688	4,356,259
Accumulated depreciation	(1,037,157)	(1,475,632)	(2,512,789)
TOTAL ASSETS	1,684,986	831,809	2,516,795
DEFERRED OUTFLOWS			
Deferred outflows - Pension	4,226	4,226	8,452
Deferred outflows - Other	-	-	-
TOTAL DEFERRED OUTFLOWS	4,226	4,226	8,452
LIABILITIES			
Accounts payable	1,170	8,082	9,252
Deposits payable	1,855	-	1,855
Long-term liabilities			
Due within one year			
Bonds, capital leases, and contracts	20,556	33,640	54,196
Interest payable	8,493	1,198	9,691
Compensated absences	-	-	-
Due in more than one year			
Bonds/Notes payable	440,983	74,283	515,266
Net pension liability	25,732	25,732	51,464
TOTAL LIABILITIES	498,789	142,935	641,724
DEFERRED INFLOWS	-	-	-
NET POSITION			
Net investment in capital assets	735,382	528,935	1,264,317
Restricted for:			
Capital projects	-	-	-
Debt service	-	39,036	39,036
Other projects	-	-	-
Unrestricted	455,041	125,129	580,170
TOTAL NET POSITION	$ 1,190,423	$ 693,100	$ 1,883,523

The notes to the financial statements are an integral part of this statement.

CITY OF DUBOIS - STATE OF IDAHO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION - PROPRIETARY FUND TYPES
For the Year Ended September 30, 2024

	WATER FUND	SEWER FUND	TOTAL
OPERATING REVENUES			
Utility services	$ 203,031	$ 125,357	$ 328,388
TOTAL OPERATING REVENUES	203,031	125,357	328,388
OPERATING EXPENSES			
Utility expenses	126,623	130,499	257,122
Depreciation	55,254	55,805	111,059
TOTAL OPERATING EXPENSES	181,877	186,304	368,181
OPERATING INCOME (LOSS)	21,154	(60,947)	(39,793)
NON-OPERATING REVENUES (EXPENSES)			
Miscellaneous revenues	10,838	51,868	62,706
Interest expense	(15,883)	(6,681)	(22,564)
TOTAL NON-OPERATING REVENUES (EXPENSES)	(5,045)	45,187	40,142
NET INCOME (LOSS) BEFORE TRANSFERS	16,109	(15,760)	349
Operating transfers in	-	-	-
Operating transfers out	-	-	-
CHANGE IN NET POSITION	16,109	(15,760)	349
NET POSITION - October 1, 2023	1,174,314	708,860	1,883,174
NET POSITION - September 30, 2024	$ 1,190,423	$ 693,100	$ 1,883,523

CITY OF DUBOIS - STATE OF IDAHO
STATEMENT OF CASH FLOWS -
PROPRIETARY FUND TYPES
For the Year Ended September 30, 2024

	WATER FUND	SEWER FUND
CASH FLOWS PROVIDED BY OPERATING ACTIVITIES		
Cash received from customers	$ 201,220	$ 122,463
Cash payments for goods and services	(92,190)	(86,781)
Cash payments to employees	(34,313)	(34,313)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	74,717	1,369
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Transfers in	-	-
Miscellaneous revenue	10,838	51,868
Transfers out	-	-
Miscellaneous expense	-	-
NET CASH PROVIDED (USED) BY NON-CAPITAL FINANCING ACTIVITIES	10,838	51,868
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases and construction of capital assets	(9,963)	-
Principal payments on bonds payable	(19,885)	(32,038)
Interest paid on capital debt	(15,883)	(6,681)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(45,731)	(38,719)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	-	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	39,824	14,518
BEGINNING CASH AND CASH EQUIVALENTS	407,323	156,095
ENDING CASH AND CASH EQUIVALENTS	$ 447,147	$ 170,613
RECONCILIATION OF OPERATING INCOME TO NET CASH		
Operating income (loss)	$ 21,154	$ (60,947)
Adjustment to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation	55,254	55,805
(Increase) decrease in:		
Utility receivables	(1,811)	(2,894)
Prepaid expenses	(352)	(1,177)
Deferred outflows - other	-	-
Increase (decrease) in:		
Accrued interest	(365)	(317)
Deposits payable	-	-
Accounts payable	(1,980)	8,082
Increase (decrease) in pension expense due to timing difference	2,817	2,817
Wages payable	-	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$ 74,717	$ 1,369

The notes to the financial statements are an integral part of this statement.

	TOTAL
$	323,683
	(178,971)
	(68,626)
	76,086
	-
	62,706
	-
	-
	62,706
	(9,963)
	(51,923)
	(22,564)
	(84,450)
	-
	54,342
	563,418
$	617,760
$	(39,793)
	111,059
	(4,705)
	(1,529)
	-
	(682)
	-
	6,102
	5,634
	-
$	76,086

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NOTES TO THE FINANCIAL STATEMENTS

CITY OF DUBOIS - STATE OF IDAHO
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For the Year Ended September 30, 2024

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12. Joint Venture

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Dubois is organized and operates under the provisions of the Idaho Constitution and the accounting policies and practices of the City conform to accounting principles generally accepted in the United States of America as applied to governments, except for the exceptions noted hereafter:

A. GENERAL

The financial statements listed in the table of contents have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The City's basic financial statements consist of government-wide financial statements, including a Statement of Net Position and a Statement of Activities, and fund financial statements which provide a more detailed level of financial position.

B. REPORTING ENTITY

The reporting entity does not include those funds under the direct jurisdiction of other governing boards, elected or appointed, that exercise substantial or total administrative and supervisory authority in their name and are considered to be substantially autonomous from City of Dubois' government, and are not included in this report. No component units are reported for the City of Dubois.

C. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The City's basic financial statements consist of both government-wide and fund financial statements. The government-wide statements focus on the City as a whole, while the fund statements focus on individual funds.

Government-wide Financial Statements

The government-wide statements present information on all non-fiduciary activities of the government. The City's activities are distinguished between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The effects of interfund activity have been eliminated from the government-wide statements unless there are residual amounts due between governmental and business-type activities.

The *Statement of Net Position* presents the City's non-fiduciary assets, deferred outflows, liabilities, and deferred inflows with the difference reported as net position. Net position is restricted when constraints placed upon it are either externally imposed or are imposed by constitutional provisions or enabling legislation.

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 within a specific function. The City does not allocate general government (indirect) expenses to other functions. 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; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other revenues not meeting the definition of program revenues are reported as general revenues.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

Fund Financial Statements

The financial transactions of the City are recorded in individual funds. A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is used to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. Separate statements are provided for governmental and proprietary funds. For governmental and proprietary funds, the emphasis is on major funds, with each displayed in a separate column.

The City reports the following major governmental funds:

- **General Fund** - This fund is the principal operating fund of the City. It is used to account for all financial resources not required to be accounted for in another fund.

- **Road Fund** – This fund is for maintaining the system of roads within the City. It is primarily financed from state highway money.

The City reports the following major enterprise funds:

- **Water Fund** – The water fund accounts for the operation and maintenance of the water system and is primarily financed by fees charged to residents and businesses.

- **Sewer Fund** – The Sewer Fund accounts for the operation and maintenance of the waste disposal system of the City and is primarily financed by fees charged to residents and businesses.

Governmental Fund Types

Governmental funds account for the City's general activities including current expendable financial resources (except for those accounted for in proprietary funds), and are those through which most governmental functions of the City are financed. The following are the City's governmental fund types:

General Fund – The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Fund – Special Revenue Funds account for proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Proprietary Fund Types – Enterprise Funds

Enterprise Funds account for operations that meet one of two criteria: 1) the activity runs in a manner similar to private business enterprises; the intent of the governing body is that the ongoing operating costs (including depreciation) of providing goods or services to the public are financed or recovered primarily through user charges, or 2) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

Fiduciary Fund Types

Fiduciary Funds account for assets held in a trustee capacity or as an agent for individuals, private organizations, or other governments.

Private Purpose Trust Funds account for funds held in a trustee capacity. Custodial funds are primarily used to collect and remit funds for other governmental agencies. The City does not have any trust or custodial funds.

D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when the related liability is incurred, regardless of the timing of the cash flows. Property taxes are recognized as revenues in the year for which they are levied. Other revenues are recognized in the year in which the related sales or other activity has occurred. Grants and similar items are recognized as revenue when all eligibility requirements have been met.

The proprietary and fiduciary fund statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues generally result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating items, such as interest expense and investment earnings, result from non-exchange transactions or ancillary activities.

The governmental fund financial statements are prepared and reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Expenditures are generally recorded when the related liability is incurred.

E. ASSETS, LIABILITIES, AND FUND BALANCES/NET POSITION

The following are the City's significant policies regarding recognition and reporting of certain assets, liabilities, and equity:

Cash and Investments

Cash and cash equivalents consist primarily of demand deposits with financial institutions and short-term investments with original maturities of three months or less from the purchase date. Investments include pooled investments and certificates of deposit with original maturities greater than three months.

Receivables

Receivables from other governments include accrued amounts for state revenues. Receivables from other governments are reasonably assured; accordingly, no allowance for uncollectible accounts has been established.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. ASSETS, LIABILITIES, AND FUND BALANCES/NET POSITION (Continued)

Taxes Receivable

Property taxes are levied in September of each year and become payable on December 20 and June 20 of the following year for real property taxes and December 20 for personal property taxes.

Property taxes attach as an enforceable lien as of December 20 following levy in September. Therefore, no amount has been set aside for an allowance for doubtful accounts. Property taxes not collected within 60 days after year end are classified as revenue unavailable for use.

Capital Assets

The City defines a capital asset as an asset with an initial cost of $5,000 or more for equipment, $20,000 or more for land and buildings, $250,000 or more for infrastructure and an estimated useful life or more than one year. Such assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at estimated fair value on the date of donation.

Capital assets purchased in governmental funds are recorded as expenditures in the governmental fund statements. Interest expense for capital asset construction related to governmental activities is not capitalized. Interest expense incurred during construction of capital assets related to business-type activities is capitalized. The costs 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.

Equipment, buildings and infrastructure, and other depreciable assets are depreciated using the straight line method over estimated useful lives ranging from 5 to 40 years.

Capital assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

Long-term Obligations

In the government-wide statements and proprietary fund statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are deferred and amortized over the life of the bond using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the governmental fund financial statements, bond premiums, discounts, and issuance costs are recognized as expenditures in the current period. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. The face amount of debt issued is reported as other financing sources.

Net Position/Fund Balances

The difference between assets and deferred outflows less liabilities and deferred inflows is net position on the government-wide, proprietary fund, and fiduciary fund statements and fund balance on the governmental fund statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the City will sometimes report a separate section for deferred outflows of resources. This financial statement element represents a consumption of net position that applies to a future period, or periods, so it will not be recognized as an outflow of resources until that time. The City currently reports a deferred outflow associated with the net pension liability on the Statement of Net Position.

In addition to liabilities, the City will sometimes report a separate section for deferred inflows of resources. This financial statement element represents an acquisition of net position that applies to a future period, or periods, so it will not be recognized as an inflow of resources until that time. The City has an item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, revenue unavailable for use is reported only in the governmental funds balance sheet. This amount is deferred and recognized as an inflow of resources in the period that amounts become available. The City has a deferred inflow associated with net pension liability reporting on the Statements of Net Position.

G. NONSPENDABLE AND SPENDABLE FUND BALANCES

Fund balance is separated into nonspendable and spendable fund balances. Nonspendable fund balance includes amounts that cannot be spent because they are either: (1) not in spendable form; or (2) legally or contractually required to be maintained intact. Spendable amounts are classified into restricted, committed, assigned, and unassigned. The following is a list of nonspendable and spendable fund balance designations for the City of Dubois:

Nonspendable: Fund balances associated with inventories, prepaids, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned).

Restricted: Fund balances that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

Committed: Fund balances that can be used only for the specific purposes determined by a formal action of the city council (the City's highest level of decision-making authority).

Assigned: Fund balances that are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed.

Unassigned: Fund balances that include all spendable amounts not contained in the other classifications.

H. BUDGETS AND BUDGETARY ACCOUNTING

The Idaho Constitution and the Idaho Department of Revenue and Taxation prescribe the budget process and procedures for governmental subdivisions. The City of Dubois has satisfied the basic requirements prescribed in the following particulars:

1) Formulation of subsequent year budget requirements by internal City officers and personnel.

2) Perusal of formulated budgets by the City Council and its clerk.

3) Presentation of preliminary and final budget requirements in formal news media of the City.

4) Open hearings to permit taxpayer input before such budgets are formally adopted.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. BUDGETS AND BUDGETARY ACCOUNTING (Continued)

Subsequent control budgets following adoption are accomplished through a budget-expenditures control system with interim status accounting and reporting made available to officers and employees for management purposes. Budgets are adopted on a cash basis of accounting. The City does not maintain a formal encumbrance accounting system.

I. COMPENSATED ABSENCES AND POST-EMPLOYMENT BENEFITS

Accumulated unpaid vacation and other employee benefits are accrued when incurred in proprietary funds on the accrual basis of accounting. Such amounts are not accrued in governmental funds on the modified accrual basis of accounting. At September 30, 2024, unrecorded fund liabilities included approximately $3,849 of total leave time accumulations and are considered normal to City operations.

Vacation and compensatory leave are recorded as expenditures when used in governmental funds and as expenses when earned in proprietary funds and in the government-wide statements. A liability for unused vacation and compensatory leave is recorded in the government-wide Statement of Net Position.

J. REVENUES AND EXPENDITURES/EXPENSES

Under the modified accrual basis of accounting, revenues are recognized in governmental funds when measurable and available. Revenues are considered to be available when they are collected within the current period or expected to be collected soon enough thereafter to pay liabilities of the current period. The City of Dubois considers property tax revenues to be “available” if they are collected within 60 days after year-end. Grants and similar items are recognized as revenue when all eligibility requirements have been met. All other revenues, including sales taxes, are considered to be available if they are collected within 30 days after year-end. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

In proprietary funds and government-wide statements, revenues are recognized when earned. Operating revenues for the enterprise funds result from exchange transactions (charges for services) associated with the principal activity of the fund. All revenues not meeting this definition, such as investment interest, are reported as non-operating revenues.

K. EXPENDITURE/EXPENSE RECOGNITION

In governmental funds, expenditures are generally recorded when the related liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Capital asset acquisition and construction are reported as expenditures in the period they are acquired.

In proprietary funds and government-wide statements, expenses are recorded when the related liability is incurred.

Operating expenses for the enterprise fund include the cost of services, administrative expenses, and depreciation on capital assets. All expenses not meeting this definition are reported as non-operating expenses.

When an expenditure or expense is incurred for purposes for which both restricted and unrestricted resources are available, the City generally uses restricted resources first, then unrestricted resources.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. INTERFUND ACTIVITY AND BALANCES

Government-wide Statements

In general, eliminations have been made to minimize the double counting of internal activity. There were no interfund receivables or payables at September 30, 2024. During 2024, there were no transfers between governmental and business-type activities.

Governmental Fund Statements

Interfund transactions for goods and services provided and used are reported as revenues and expenditures/expenses in the funds involved. Cash transfers between funds of the City are reported as other financing sources and uses in the governmental fund statements.

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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

N. PENSIONS

For purposes of measuring the net pension liability and pension expenses, 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.

2. CASH AND INVESTMENTS

Cash and cash equivalents are defined as those financial instruments that have a maturity date of three months or less from the date of acquisition.

Cash deposits and investments of the City as of September 30, 2024, totaled $1,883,118, of which $931,296 represented demand deposits including $39,036 of restricted cash and $951,822 represented investments in certificates of deposits and deposits in the State of Idaho Local Government Investment Pool. Of the total deposits, $1,265,358 was allocated to governmental funds and $617,760 was allocated to the enterprise funds.

Deposits

The carrying amount of the City's deposits with financial institutions was $931,296 as of September 30, 2024. The bank balance was $1,031,467, of that amount, $528,641 was not covered by NCUA or FDIC insurance.

The demand deposits and simple investments by the City are not collateralized nor are they required to be by Idaho statute.

The City follows the requirements of the Idaho Public Depository Law (Idaho Code Section, Title 57-100), and applicable investment rights and restrictions cited by the Idaho Code Section, Title 67, 67-1210.

Investments

The fair value of the City's investments at year end was $951,822, $264,894 was invested in certificates of deposit and the remaining $686,928 was deposited with the State of Idaho Local Government Investment Pool. This investment pool is an unrated fund. Information on the amount not covered by SIPC or FDIC insurance is not available.

The investments in the amount of $686,928 in the LGIP are through the Idaho State Treasurer who provides the oversight of these monies. Monies held by the LGIP were held in the following investments: government agency notes, commercial paper, corporate bonds, money markets, U.S. treasury notes, Idaho repurchase agreements, and purchased accrued interest. All investments for the LGIP are collateralized with securities held by the LGIP's safekeeping agent in the LGIP's name. The investments held by the LGIP are carried at cost, which is not materially different than fair value (determined by the Idaho State Treasurer's office). The investments in the LGIP are subject to risk from market and interest rate fluctuations. The weighted average maturity at September 30, 2024 was 84 days.

The City does not have a written policy addressing credit risk, custodial credit risk or interest risk.

3. CAPITAL ASSETS

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

	Balance 10-01-2023	Additions	Deletions	Balance 09-30-2024
Governmental Activities				
Capital assets, not being depreciated				
Land	$ 12,310	$ -	$ -	$ 12,310
Construction in progress	-	158,410	-	158,410
Buildings	-	-	-	-
Total capital assets, not being depreciated	12,310	158,410	-	170,720
Capital assets, being depreciated				
Buildings and improvements	188,313	-	-	188,313
Machinery and equipment	241,987	-	(12,000)	229,987
Infrastructure	59,000	-	-	59,000
Total capital assets, being depreciated	489,300	-	(12,000)	477,300
Less accumulated depreciation for				
Buildings and improvements	(31,613)	(6,888)	-	(38,501)
Machinery and equipment	(114,101)	(20,698)	12,000	(122,799)
Infrastructure	(17,700)	(1,475)	-	(19,175)
Total accumulated depreciation	(163,414)	(29,061)	12,000	(180,475)
Total capital assets, being depreciated, net	325,886	(29,061)	-	296,825
Governmental activity, capital assets, net	$ 338,196	$ 129,349	$ -	$ 467,545

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

Governmental activities	
General government	$ 15,076
Public works	13,985
	$ 29,061

3. CAPITAL ASSETS (Continued)

	Balance 10-01-2023	Additions	Deletions	Balance 09-30-2024
Proprietary Activities				
WATER				
Capital assets, not being depreciated				
Land	$ -	$ -	$ -	$ -
Construction in progress	-	-	-	-
Total capital assets, not being depreciated	-	-	-	-
Capital assets, being depreciated				
Machinery & equipment	131,939	9,963	-	141,902
Water infrastructure	2,100,669	-	-	2,100,669
Total water assets, being depreciated	2,232,608	9,963	-	2,242,571
SEWER				
Capital assets, being depreciated				
Machinery & equipment	137,489	-	-	137,489
Sewer infrastructure	1,976,199	-	-	1,976,199
Total sewer assets, being depreciated	2,113,688	-	-	2,113,688
Total capital assets, being depreciated	4,346,296	9,963	-	4,356,259
Less accumulated depreciation for				
Machinery & equipment	(211,261)	(9,137)	-	(220,398)
Water infrastructure	(856,535)	(52,517)	-	(909,052)
Sewer infrastructure	(1,333,934)	(49,405)	-	(1,383,339)
Total accumulated depreciation	(2,401,730)	(111,059)	-	(2,512,789)
Total capital assets, being depreciated, net	1,944,566	(101,096)	-	1,843,470
Proprietary activity, capital assets, net	$ 1,944,566	$ (101,0969)	$ -	$ 1,843,470

Depreciation expense was charged to current function of the proprietary funds as follows:

Proprietary activities	
Water	$ 55,254
Sewer	55,805
Total proprietary activities	$ 111,059

4. 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 of 6%, whichever is less; however, any amount above the 1% minimum is subject to review by the Idaho Legislature.

Member and Employer Contributions

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

The contribution rates for employees are set by statute at 60% of the employer rate for general employees and 74% for police and firefighters. As of June 30, 2024, it was 6.71% for general employees and 9.83% for police and firefighters. The employer contribution rate of covered payroll is set by the Retirement Board and was 11.18% for general employees and 13.26% for police and firefighters. The City's contributions were $15,076 for the year ended June 30, 2024.

4. PENSION PLAN (Continued)

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 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 .00275165 percent.

For the year ended September 30, 2024, the City recognized pension expense/(revenue) of $27,032. 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	$ 16,387	$ -
Changes in assumptions or other inputs	4,078	-
Net difference between projected and actual earnings on pension plan investments	(1,868)	-
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	(6,020)	-
City contributions subsequent to the measurement date	4,328	-
Total	$ 16,905	$ -

A portion of deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date of $4,328 for the year ended September 30, 2024, will be recognized as a reduction of the net pension liability in the subsequent year.

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 4.4 and 4.4 for the measurement period June 30,2024.

4. PENSION PLAN (Continued)

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

Year ended June 30:		
2025	$	5,080
2026		19,191
2027		(3,310)
2028		(2,366)

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 (net of investment expenses)	6.35%
Net Cost-of-living adjustments	1.00%

Contributing Members, Service Retirement Members, and Beneficiaries
General Employees and All Beneficiaries – Males Pub-2010 General Tables, increased 11%
General Employees and All Beneficiaries – Females Pub-2010 General Tables, increased 21%
Teachers – Males Pub-2010 Teacher Tables, increased 12%
Teachers – Females Pub-2010 Teacher Tables, increased 21%
Fire & Police – Males Pub-2010 Safety Tables, increased 21%
Fire & Police – Females Pub-2010 Safety Tables, increased 26%
Disabled Members – Males Pub-2010 Disable Tables, increased 38%
Disabled Members – Females Pub-2010 Disable Tables, increased 36%

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

4. PENSION PLAN (Continued)

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 the approach which builds upon the latest capital market assumptions. Specifically, the System uses consultants, investment managers and trustees to develop capital market assumptions in analyzing the System's asset allocation. The assumptions and the System's formal policy for asset allocation are shown below. The formal asset allocation policy is somewhat more conservative than the current allocation of System's assets.

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

Asset Class	2024
Cash	0.00%
Fixed Income	30.00%
US/Global Equity	55.00%
International Equity	15.00%
Total	100.00%

Discount Rate

The discount rate used to measure the total pension liability was 6.35%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate. Based on these assumptions, the pension plans' net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return was determined net of pension plan investment expense but without reduction for pension plan administrative expense.

4. PENSION PLAN (Continued)

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%, 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%) or 1-percentage-point higher (7.35%) 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)	$195,598	$102,929	$27,243

Pension plan fiduciary net position

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

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

Payables to the pension plan

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

5. LITIGATION AND CONTINGENT LIABILITIES

No claims or lawsuits are pending against the City.

6. LONG-TERM DEBT

Long-term Obligation Activity:
General long-term obligations of the City include revenue bonds for water and sewer projects. During the year ending September 30, 2024, the following changes occurred in long-term debt:

	Balance 10-01-2023	Additions	Reductions	Balance 09-30-2024	Amounts due within one year
Governmental Activities:					
Accrued compensation	$ 6,029	$ -	$ (2,180)	$ 3,849	$ 3,849
Net pension liability	61,984	-	(10,519)	51,465	-
Total governmental activities	68,013	-	(12,699)	55,314	3,849
Business-type Activities:					
Accrued interest payable	10,373	-	(682)	9,691	9,691
Sewer Bond	139,961	-	(32,038)	107,923	33,640
2012 Series Water Bond	481,424	-	(19,885)	461,539	20,556
Net pension liability	61,986	-	(10,522)	51,464	-
Total business-type activities	693,744	-	(63,127)	630,617	63,887
Total long-term activities	$ 761,757	$ -	$ (75,826)	$ 685,931	$ 67,736

Debt Service Requirements:

Debt service requirements on long-term debt at September 30, 2024, are as follows:

Business-type Activities	Sewer Bond 5%	
Year	Principal	Interest
2025	$ 33,640	$ 5,396
2026	35,322	3,714
2027	38,961	1,948
	$ 107,923	$ 11,058

6. LONG-TERM DEBT (Continued)

Business-type Activities	2012 Water Bond 3.375%	
Year	Principal	Interest
2025	$ 20,556	$ 15,577
2026	21,250	14,883
2027	21,967	14,166
2028	22,708	13,425
2029	23,475	12,658
2030 – 2034	129,807	50,858
2035 – 2039	153,241	27,424
2040 – 2041	68,535	3,485
	$ 461,539	$ 152,476

Compensated absences typically have been liquidated in the general and other governmental funds.

The water revenue bonds are payable only from the net revenues of the water system, as defined in the bond ordinances. The ordinance requires that the net revenues of the system (excluding depreciation and bond interest expense) equal 1.2 times the debt payments for the year; this requirement was met for the water and sewer fund in the 2021 fiscal year. The ordinances further provide that the City establish certain accounts and reserves for bond payments and that all revenues of the system be used for operation and maintenance costs of the systems, principal and interest on the bonds, and establishment of the defined debt repayment reserves.

The City was required by its bondholders to have the following amount in reserve on September 30, 2024:

Requirement	Amount Required	Amount Deposited
Sewer fund reserve (Reserve requires $3,904 per year until $39,036 is accumulated)	$ 39,036	$ 39,036
	$ 39,036	$ 39,036

7. RELATED PARTY TRANSACTIONS

The City has not been directly involved in related party transactions that would violate Idaho Code or Federal Regulations.

8. MATERIAL VIOLATION OF FINANCE-RELATED LEGAL AND CONTRACTUAL PROVISIONS

There are no known violations of direct finance-related legal or contractual provisions.

9. RISK MANAGEMENT

The City is exposed to various risks related to torts; theft of, damage to, and destruction of assets, errors and omissions, and natural disasters. The City's risk management program encompasses various means of protecting the City against loss by obtaining property, casualty, and liability coverage through commercial insurance carriers.

10. NEGATIVE CASH, DEFICIT FUND BALANCS, AND INTERFUND TRANSACTIONS

As of September 30, 2024, there were no funds with a negative cash balances or deficit fund balances, nor were there any recorded interfund transactions during the fiscal year.

11. SUBSEQUENT EVENTS

Subsequent events have been considered through the date of this report. There are no known subsequent events that will have a material impact on the operation of the City.

12. JOINT VENTURE

During the 2009 – 2010 fiscal year, the City signed a memorandum of agreement with Clark County and High Plains Propane LLC for development of Centennial Energy Park. Each party agreed to contribute up to $75,000 in cash for the land, infrastructure construction costs, project design, construction and project closeout. In addition, the City received a Department of Commerce State Rural Community Block Grant in the amount of $500,000 to assist with the cost of developing and constructing the necessary infrastructure and a railroad spur into the Energy Park. The City and County are to maintain and service the public infrastructure in the Energy Park. The City is to maintain and service the connecting infrastructure. Each party has agreed to sell the Centennial Energy Park lots, with the proceeds from the sales reimbursing the partners equally for contributions including cash and in-kind work, less any land in the park any partner utilizes for themselves. After all reimbursements have been met, any remaining funds will be split equally between the partners. The City and County will utilize their share of the remaining funds for agreed upon economic development and community purposes. Financial statements for the joint venture are not available.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF DUBOIS - STATE OF IDAHO
BUDGET AND ACTUAL (WITH BUDGET TO GAAP DIFFERENCES)
GENERAL FUND
For the year ended September 30, 2024

	BUDGETED AMOUNTS		BUDGETARY
	ORIGINAL	FINAL	BASIS
REVENUES			
Property taxes	$ 66,749	$ 66,749	$ 68,682
Sales and miscellaneous taxes	-	-	-
Fees and fines	3,000	3,000	335
Licenses and permits	200	200	100
Intergovernmental	371,471	371,471	153,410
Charges for services	105,900	105,900	102,700
Investment earnings	12,000	12,000	58,516
Miscellaneous	129,632	129,632	75,632
TOTAL REVENUES	688,952	688,952	459,375
EXPENDITURES			
Current:			
General government	269,454	269,454	145,295
Public safety	35,056	35,056	36,174
Public works	-	-	-
Culture and recreation	115,358	115,358	61,711
Education	1,000	1,000	1,000
Conservation and economic development	-	-	-
Debt Service:			
Principal	-	-	-
Interest and other charges	-	-	-
Capital outlay	-	-	135,843
TOTAL EXPENDITURES	420,868	420,868	380,023
Excess (deficiency) of revenues over expenditures	268,084	268,084	79,352
OTHER FINANCING SOURCES (USES)			
Other source	-	-	-
Transfers in	-	-	-
Transfers out	(49,543)	(49,543)	-
TOTAL OTHER FINANCING SOURCES (USES)	(49,543)	(49,543)	-
SPECIAL ITEM			
Proceeds from sale of capital assets	-	-	-
Net change in fund balances	218,541	218,541	79,352
Fund Balances, Oct. 1, 2023	1,120,928	1,120,928	1,120,928
FUND BALANCES, SEPT. 30, 2024	$ 1,339,469	$ 1,339,469	$ 1,200,280

	GAAP DIFFERENCES		GAAP BASIS
	$ 605	$	69,287
	-		-
	90		425
	-		100
	78,183		231,593
	-		102,700
	-		58,516
	(62,128)		13,504
	16,750		476,125
	107		145,402
	-		36,174
	-		-
	(1,349)		60,362
	-		1,000
	-		-
	-		-
	-		-
	22,567		158,410
	21,325		401,348
	(4,575)		74,777
	-		-
	-		-
	-		-
	-		-
	-		-
	(4,575)		74,777
	-		1,120,928
	$ (4,575)	$	1,195,705

CITY OF DUBOIS - STATE OF IDAHO
BUDGET AND ACTUAL (WITH BUDGET TO GAAP DIFFERENCES)
ROAD AND BRIDGE
For the year ended September 30, 2024

	BUDGETED AMOUNTS		BUDGETARY
	ORIGINAL	FINAL	BASIS
REVENUES			
Property taxes	$ -	$ -	$ -
Sales and miscellaneous taxes	-	-	-
Fees and fines	-	-	-
Licenses and permits	-	-	-
Intergovernmental	149,543	149,543	152,724
Charges for services	-	-	-
Investment earnings	-	-	-
Miscellaneous	-	-	-
TOTAL REVENUES	149,543	149,543	152,724
EXPENDITURES			
Current:			
General government	-	-	-
Public safety	-	-	-
Public works	176,288	176,288	278,759
Health and sanitation	-	-	-
Culture and recreation	-	-	-
Conservation and economic development	-	-	-
Debt Service:			
Principal	-	-	-
Interest and other charges	-	-	-
Capital outlay	4,000	4,000	-
TOTAL EXPENDITURES	180,288	180,288	278,759
Excess (deficiency) of revenues over expenditures	(30,745)	(30,745)	(126,035)
OTHER FINANCING SOURCES (USES)			
Other source	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-
SPECIAL ITEM			
Proceeds from sale of capital assets	-	-	-
Net change in fund balances	(30,745)	(30,745)	(126,035)
Fund Balances, Oct. 1, 2023	226,145	226,145	226,145
FUND BALANCES, SEPT. 30, 2024	$ 195,400	$ 195,400	$ 100,110

	GAAP DIFFERENCES	GAAP BASIS
	$ -	$ -
	-	-
	-	-
	-	-
	(2,773)	149,951
	-	-
	-	-
	-	-
	(2,773)	149,951
	-	-
	-	-
	3,419	282,178
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	3,419	282,178
	(6,192)	(132,227)
	-	-
	-	-
	-	-
	-	-
	-	-
	(6,192)	(132,227)
	-	226,145
	$ (6,192)	$ 93,918

CITY OF DUBOIS - STATE OF IDAHO
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
BUDGET TO ACTUAL
For the Year Ended September 30, 2024

1. The legally adopted budget for City of Dubois – State of Idaho is based on the modified cash basis of accounting. Adjustments to the modified accrual basis of accounting are listed as GAAP differences.

2. Debt payments, if applicable, are reclassified from general operating expense to show principal and interest portions of cash payments.

3. Higher operating expenses may be reflected on the GAAP basis if equipment was purchased at year-end with a partial payment budgeted in the current year and an account payable booked to reflect the final payment in the subsequent year's budget.

4. Capital outlays that do not meet the capitalization policy levels are reclassified out of capital outlay and into another expenditure.

CITY OF DUBOIS - STATE OF IDAHO
SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY
PERSI - BASE PLAN
Last 10 Fiscal Years*

	PERSI BASE PLAN				
Fiscal Year	Employer's portion of net pension liability	Employer's proportionate share of the net pension liability	Employer's covered employee payroll	Employer's proportional share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2015	0.0038052%	$ 50,108	$ 105,038	47.70%	91.38%
2016	0.0035020%	$ 71,868	$ 106,085	67.75%	87.26%
2017	0.0035038%	$ 55,074	$ 111,854	49.24%	90.68%
2018	0.0034937%	$ 50,736	$ 110,719	45.82%	91.69%
2019	0.0033363%	$ 38,083	$ 113,546	33.54%	93.79%
2020	0.0031171%	$ 72,383	$ 114,011	63.49%	88.22%
2021	0.0031171%	$ (2,457)	$ 116,839	-2.10%	100.36%
2022	0.0030626%	$ 120,627	$ 114,389	105.45%	83.09%
2023	0.0031065%	$ 123,970	$ 132,852	93.31%	83.83%
2024	0.0027517%	$ 102,929	$ 135,084	76.20%	85.54%

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

Data reported is measured as of June 30.

CITY OF DUBOIS - STATE OF IDAHO
SCHEDULE OF EMPLOYER CONTRIBUTIONS
PERSI - BASE PLAN
Last 10 Fiscal Years*

	PERSI BASE PLAN				
Fiscal Year	Statutorily Required Contribution	Contribution in Relation to the Statutorily Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll
2015	$ 11,890	$ 11,890	$ -	$ 105,038	11.32%
2016	$ 12,011	$ 12,011	$ -	$ 106,106	11.32%
2017	$ 12,331	$ 12,331	$ -	$ 108,930	11.32%
2018	$ 12,536	$ 12,536	$ -	$ 110,744	11.32%
2019	$ 13,031	$ 13,031	$ -	$ 113,570	11.47%
2020	$ 13,591	$ 13,591	$ -	$ 113,827	11.94%
2021	$ 13,705	$ 13,705	$ -	$ 114,782	11.94%
2022	$ 15,070	$ 15,070	$ -	$ 126,211	11.94%
2023	$ 15,672	$ 15,672	$ -	$ 133,312	11.76%
2024	$ 15,787	$ 15,787	$ -	$ 138,686	11.38%

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

Data reported is measured as of September 30.

CITY OF DUBOIS - STATE OF IDAHO
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
PERSI – BASE PLAN
For the Year Ended September 30, 2024

Methods and Assumptions Used in Calculations of Actuarily Determined Contributions

The actuarially determined contribution rates in the employer's contributions are calculated as of June 30, 2024. The following actuarial methods and assumptions were used to determine contribution rates reported in that schedule.

	PERSI Base Plan
Valuation date	June 30, 2024
Actuarial cost method	Entry age normal
Amortization method	Level percentage of projected payroll open
Remaining amortization period	10.8 years
Asset valuation method	Fair Market value
Actuarial assumptions:	
Investment Rate of Return *	6.35%
Projected salary increases including inflation	3.05%
Postretirement benefit increase	1.00%
Implied price inflation rate	2.30%
Discount Rate – Actuarial Accrued Liability	6.35%

* net of investment expenses

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OTHER SUPPLEMENTARY INFORMATION

CITY OF DUBOIS - STATE OF IDAHO
SCHEDULE OF BONDS - FUTURE PRINCIPAL AND INTEREST REQUIREMENTS
For the Year Ended September 30, 2024

		ANNUAL PAYMENTS		
	Interest Rate	Fiscal Year	Principal Amount	Interest Payment
REVENUE BONDS				
Water Revenue Bonds	3.375%	2025	20,556	15,577
March 15, 2011 issue	3.375%	2026	21,250	14,883
(payments due March 15)	3.375%	2027	21,967	14,166
	3.375%	2028	22,708	13,425
	3.375%	2029	23,475	12,658
	3.375%	2030	24,267	11,866
	3.375%	2031	25,086	11,047
	3.375%	2032	25,933	10,200
	3.375%	2033	26,808	9,325
	3.375%	2034	27,712	8,420
	3.375%	2035	28,648	7,485
	3.375%	2036	29,615	6,518
	3.375%	2037	30,615	5,519
	3.375%	2038	31,648	4,485
	3.375%	2039	32,716	3,417
	3.375%	2040	33,820	2,313
	3.375%	2041	34,715	1,172
			$ 461,539	$ 152,476

CITY OF DUBOIS - STATE OF IDAHO
SCHEDULE OF BONDS - FUTURE PRINCIPAL AND INTEREST REQUIREMENTS
For the Year Ended September 30, 2024

		ANNUAL PAYMENTS		
	Interest Rate	Fiscal Year	Principal Amount	Interest Payment
REVENUE BONDS				
Sewer Revenue Bonds	5%	2025	33,640	5,396
July 15, 1997 issue	5%	2026	35,322	3,714
(payment due July 15)	5%	2027	38,961	1,948
			$ 107,923	$ 11,058

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF BASIC FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and City Council
City of Dubois – State of Idaho
Dubois, Idaho

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of the City of Dubois, State of 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, and have issued our report thereon dated July 9, 2025.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the City of Dubois, Idaho's internal control over financial reporting (internal control) to determine the audit procedures that were appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Dubois' internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Dubois' 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 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.

Finding 2024-001

Condition	The size of the City's staff is not large enough to permit a complete segregation of duties for an effective system of internal controls.
Criteria	An effective system of internal controls requires that closely related duties be segregated.
Context	Because of review by the City Council of financial transactions, the risk is reduced but errors could still occur and not be detected in the normal course of business.
Effect	The concentration of closely related duties and responsibilities by a small staff makes it difficult to establish an adequate system of automatic internal checks on the accuracy and reliability of the accounting records.
Cause	The City's staff is too small to allow a complete segregation of duties.

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Recommendation	Although the City is not large enough to permit a complete segregation of duties for an effective system of internal accounting control, we recommend that officials be aware that the condition does exist and take steps to identify opportunities to further segregate duties where possible.
Managements Response	Although the City recognizes the importance of segregation of duties for proper internal control, the City does not believe it would be cost effective to increase its staff size simply to provide greater segregation of duties. The City will be cognizant of opportunities that arise to further segregate duties within the limitations of the City's size.

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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting 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, as defined above, that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Dubois, Idaho's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests did not disclose any instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Entity's Response to Findings

The City of Dubois, Idaho's response to the findings identified in our audit are described above. The City of Dubois, Idaho'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 result 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.

Searle Hart + Associates PLLC

Idaho Falls, Idaho
July 9, 2025