City of Eagle, Idaho

Year Ended September 30, 2024

Audited Financial Statements



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Quest CPAs PLLC

CITY OF EAGLE, IDAHO
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Quality Expertise Service Timeliness

Independent Auditor's Report

Honorable Mayor and City Council
City of Eagle, Idaho

Report on the Financial Statements

Opinions

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

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

Basis for Opinions

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

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Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 the budgetary comparison schedules and schedule of employer's share of net pension asset and liability and schedule of employer contributions listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, and historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic

financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated February 12, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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.

Quest CPAs PLLC

Meridian, Idaho
February 12, 2025

CITY OF EAGLE, IDAHO
Statement of Net Position
September 30, 2024

	Governmental Activities	Business-Type Activities	Total Primary Government	Component Units
Assets				
Current Assets				
Cash & Investments	$14,692,050	$5,709,666	$20,401,716	$61,567,070
Receivables:				
Taxes	49,370		49,370	
Intergovernmental	903,036		903,036	
Accounts		135,018	135,018	
Total Current Assets	15,644,456	5,844,684	21,489,140	61,567,070
Noncurrent Assets				
Restricted Cash & Investments	4,243,670	3,198,211	7,441,881	
Accumulated Community Infrast Costs			0	138,275,417
Nondepreciable Capital Assets	17,772,651	93,250	17,865,901	
Depreciable Net Capital Assets	24,243,262	19,940,722	44,183,984	
Total Noncurrent Assets	46,259,583	23,232,183	69,491,766	138,275,417
Total Assets	61,904,039	29,076,867	90,980,906	199,842,487
Deferred Outflows of Resources				
Pension Items	809,843	44,692	854,535	
Total Deferred Outflows of Resources	809,843	44,692	854,535	0
Total Assets and Deferred Outflows of Resources	$62,713,882	$29,121,559	$91,835,441	$199,842,487
Liabilities				
Current Liabilities				
Accounts Payable & Accrued Expenses	$728,877	$125,455	$854,332	$65,630
Deposits Payable	4,243,670	92,850	4,336,520	30,050
Unearned Grant Revenue	674,483		674,483	
Accrued Interest			0	638,152
Long-Term Liabilities, Current	433,224	8,307	441,531	22,257,709
Total Current Liabilities	6,080,254	226,612	6,306,866	22,991,541
Noncurrent Liabilities				
Long-Term Liabilities, Noncurrent	3,529,409	189,256	3,718,665	198,676,716
Total Noncurrent Liabilities	3,529,409	189,256	3,718,665	198,676,716
Total Liabilities	9,609,663	415,868	10,025,531	221,668,257
Deferred Inflows of Resources				
Impact Fee Credits	7,876,000		7,876,000	
Pension Items	62,250	3,435	65,685	
Total Deferred Inflows of Resources	7,938,250	3,435	7,941,685	0
Total Liabilities and Deferred Inflows of Resources	17,547,913	419,303	17,967,216	221,668,257
Net Position				
Net Investment in Capital Assets	33,934,617	20,033,972	53,968,589	(83,297,160)
Restricted - Special Programs	178,920		178,920	
Restricted - Debt Service			0	25,380,283
Restricted - Capital Projects	6,058,034	3,105,361	9,163,395	36,183,372
Unrestricted	4,994,398	5,562,923	10,557,321	(92,265)
Total Net Position	45,165,969	28,702,256	73,868,225	(21,825,770)
Total Liabilities and Deferred Inflows of Resources and Net Position	$62,713,882	$29,121,559	$91,835,441	$199,842,487

CITY OF EAGLE, IDAHO

Statement of Activities

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
Governmental Activities					
Current Expenditures					
General Government	$6,105,682	$2,743,723			($3,361,959)
Public Safety	4,420,763	1,986,567			(2,434,196)
Parks, Pathways, & Streets	1,893,465	850,870		$788,806	(253,789)
Culture & Recreation	2,306,650	1,036,544		15,000	(1,255,106)
Debt Service - Interest	3,754				(3,754)
Capital Assets	1,209,010				(1,209,010)
Total Governmental Activities	15,939,324	6,617,704	$0	803,806	(8,517,814)
Business-Type Activities					
Water Services	1,453,082	3,072,024		3,802,696	5,421,638
Fiber Services	397,899				(397,899)
Total Business-Type Activities	1,850,981	3,072,024	0	3,802,696	5,023,739
Total Primary Government	$17,790,305	$9,689,728	$0	$4,606,502	($3,494,075)
Component Units					
Spring Valley CID No. 1	$7,965,601		$104,207		($7,861,394)
Avimor CID No. 1	9,009,017		88,821		(8,920,196)
Total Component Units	16,974,618	$0	193,028	$0	(16,781,590)

Changes in Net Position	Governmental Activities	Business-Type Activities	Total Primary Government	Component Units
Net (Expense) Revenue	($8,517,814)	$5,023,739	($3,494,075)	($16,781,590)
General Revenues				
Taxes	4,829,001		4,829,001	85,813
Special Assessments			0	1,053,720
Franchise Fees	1,132,643		1,132,643	
Intergovernmental	4,200,625		4,200,625	
Interest	729,434	324,810	1,054,244	3,359,813
Other Revenue (Expense)	268,652		268,652	
Pension Revenue (Expense)	(835,652)	(46,117)	(881,769)	
Transfers	668,080	(668,080)	0	
Total	10,992,783	(389,387)	10,603,396	4,499,346
Change in Net Position	2,474,969	4,634,352	7,109,321	(12,282,244)
Net Position - Beginning	42,691,000	24,067,904	66,758,904	(9,543,526)
Net Position - Ending	$45,165,969	$28,702,256	$73,868,225	($21,825,770)

See Accompanying Notes

CITY OF EAGLE, IDAHO

Balance Sheet - Governmental Funds

September 30, 2024

	General Fund	Debt Service Fund	Park Fund	Capital Projects Fund
Assets				
Cash & Investments	$7,747,555		$1,362,350	$5,258,184
Receivables:				
Taxes	49,370			
Intergovernmental	903,036			
Accounts				
Due From Other Funds				
Restricted Cash & Investments	4,243,670			
Total Assets	$12,943,631	$0	$1,362,350	$5,258,184
Liabilities				
Accounts Payable & Accrued Expenses	$695,819			$33,058
Due To Other Funds				
Deposits Payable	4,243,670			
Unearned Grant Revenue				674,483
Total Liabilities	4,939,489	$0	$0	707,541
Deferred Inflows of Resources				
Unavailable Tax Revenues	49,370			
Total Deferred Inflows of Resources	49,370	0	0	0
Fund Balances				
Restricted - Special Programs				
Restricted - Debt Service				
Restricted - Capital Projects			1,362,350	4,550,643
Unassigned	7,954,772			
Total Fund Balances	7,954,772	0	1,362,350	4,550,643
Total Liabilities and Deferred Inflows of Resources and Fund Balances	$12,943,631	$0	$1,362,350	$5,258,184

CITY OF EAGLE, IDAHO
Balance Sheet - Governmental Funds
September 30, 2024

	Pathway Fund	Nonmajor Fund Police Impact Fees Fund	Total Governmental Funds
Assets			
Cash & Investments	$145,041	$178,920	$14,692,050
Receivables:			
Taxes			49,370
Intergovernmental			903,036
Accounts			0
Due From Other Funds			0
Restricted Cash & Investments			4,243,670
Total Assets	$145,041	$178,920	$19,888,126
Liabilities			
Accounts Payable & Accrued Expenses			$728,877
Due To Other Funds			0
Deposits Payable			4,243,670
Unearned Grant Revenue			674,483
Total Liabilities	0	0	5,647,030
Deferred Inflows of Resources			
Unavailable Tax Revenues			49,370
Total Deferred Inflows of Resources	0	0	49,370
Fund Balances			
Restricted - Special Programs		178,920	178,920
Restricted - Debt Service			0
Restricted - Capital Projects	145,041		6,058,034
Unassigned			7,954,772
Total Fund Balances	145,041	178,920	14,191,726
Total Liabilities and Deferred Inflows of Resources and Fund Balances	$145,041	$178,920	$19,888,126

CITY OF EAGLE, IDAHO
Balance Sheet - Governmental Funds
September 30, 2024

Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities

Total Governmental Fund Balances	$14,191,726
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	42,015,913
Certain receivables are not available to pay for current period expenditures and therefore are deferred in the funds.	49,370
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(3,962,633)
Deferred inflow impact fee credits are not due and payable in the current period and therefore are not reported in the funds.	(7,876,000)
Deferred outflows/inflows related to pensions are not due and payable in the current period and therefore are not reported in the funds.	747,593
Net Position of Governmental Activities	$45,165,969

CITY OF EAGLE, IDAHO

Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds

Year Ended September 30, 2024

	General Fund	Debt Service Fund	Park Fund	Capital Projects Fund
Revenues				
Taxes	$4,801,015			
Franchise Fees	1,132,643			
Intergovernmental	4,200,625			
Licenses, Permits, & Fees	5,381,027		$1,015,949	
Interest	444,832		16,129	$260,382
Miscellaneous & Grants	242,292			830,166
Total Revenues	16,202,434	$0	1,032,078	1,090,548
Expenditures				
Current Expenditures				
General Government	6,262,368			
Public Safety	4,534,210			
Parks, Pathways, & Streets	1,942,055			
Culture & Recreation	2,365,844			
Capital Outlay	307,041		74,353	2,876,246
Debt Service - Principal		90,000		
Debt Service - Interest		14,045		
Total Expenditures	15,411,518	104,045	74,353	2,876,246
Excess (Deficiency) of Revenues Over Expenditures	790,916	(104,045)	957,725	(1,785,698)
Other Financing Sources (Uses)				
Transfers In	418,080	104,045		1,205,188
Transfers Out	(1,059,233)			
Total Other Financing Sources (Uses)	(641,153)	104,045	0	1,205,188
Net Change in Fund Balances	149,763	0	957,725	(580,510)
Fund Balances - Beginning	7,805,009	0	404,625	5,131,153
Fund Balances - Ending	$7,954,772	$0	$1,362,350	$4,550,643

CITY OF EAGLE, IDAHO

Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds

Year Ended September 30, 2024

	Pathway Fund	Nonmajor Fund Police Impact Fees Fund	Total Governmental Funds
Revenues			
Taxes			$4,801,015
Franchise Fees			1,132,643
Intergovernmental			4,200,625
Licenses, Permits, & Fees	$163,267	$57,461	6,617,704
Interest	2,830	5,261	729,434
Miscellaneous & Grants			1,072,458
Total Revenues	166,097	62,722	18,553,879
Expenditures			
Current Expenditures			
General Government			6,262,368
Public Safety			4,534,210
Parks, Pathways, & Streets			1,942,055
Culture & Recreation			2,365,844
Capital Outlay	163,351		3,420,991
Debt Service - Principal			90,000
Debt Service - Interest			14,045
Total Expenditures	163,351	0	18,629,513
Excess (Deficiency) of Revenues Over Expenditures	2,746	62,722	(75,634)
Other Financing Sources (Uses)			
Transfers In			1,727,313
Transfers Out			(1,059,233)
Total Other Financing Sources (Uses)	0	0	668,080
Net Change in Fund Balances	2,746	62,722	592,446
Fund Balances - Beginning	142,295	116,198	13,599,280
Fund Balances - Ending	$145,041	$178,920	$14,191,726

CITY OF EAGLE, IDAHO
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds
Year Ended September 30, 2024

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to the Statement of Activities

Net Change in Fund Balances - Total Governmental Funds	$592,446
Amounts reported for governmental activities in the statement of activities are different because:	
Government 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 or allocated over the appropriate term as amortization expense. This is the excess of capital outlays over (under) depreciation/amortization expense in the current period.	2,211,981
Revenues in the statement of activities that do not provide current financial resources are deferred in the funds.	27,986
Repayment of long-term liability principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	90,000
Bond premiums are amortized against interest expense over the term of the bond.	10,291
In the statement of activities, compensated absences are accrued when earned, but the expenditure is reported when due in the governmental funds.	(16,168)
Remittance of impact fee credits is an expenditure in the governmental funds, but the remittance reduces the deferred inflow inpact fee credits in the statement of net position.	0
Changes in net pension asset/liability and related pension deferred outflows/inflows do not provide or require current financial resources and therefore are not reflected in the funds.	(441,567)
Change in Net Position of Governmental Activities	$2,474,969

CITY OF EAGLE, IDAHO

Statement of Net Position - Proprietary Funds

September 30, 2024

	Water Fund	Fiber Fund	Total Enterprise Funds
Assets			
Current Assets			
Cash & Investments	$5,709,666		$5,709,666
Receivables:			
Accounts	135,018		135,018
Total Current Assets	5,844,684	$0	5,844,684
Noncurrent Assets			
Restricted Cash & Investments	3,198,211		3,198,211
Nondepreciable Capital Assets	93,250		93,250
Depreciable Net Capital Assets	16,562,227	3,378,495	19,940,722
Total Noncurrent Assets	19,853,688	3,378,495	23,232,183
Total Assets	25,698,372	3,378,495	29,076,867
Deferred Outflows of Resources			
Pension Items	44,692		44,692
Total Deferred Outflows of Resources	44,692	0	44,692
Total Assets and Deferred Outflows of Resources	$25,743,064	$3,378,495	$29,121,559
Liabilities			
Current Liabilities			
Accounts Payable & Accrued Expenses	$125,455		$125,455
Deposits Payable	92,850		92,850
Long-Term Liabilities, Current	8,307		8,307
Total Current Liabilities	226,612	$0	226,612
Noncurrent Liabilities			
Long-Term Liabilities, Noncurrent	189,256		189,256
Total Noncurrent Liabilities	189,256	0	189,256
Total Liabilities	415,868	0	415,868
Deferred Inflows of Resources			
Pension Items	3,435		3,435
Total Deferred Inflows of Resources	3,435	0	3,435
Total Liabilities and Deferred Inflows of Resources	419,303	0	419,303
Net Position			
Net Investment in Capital Assets	16,655,477	3,378,495	20,033,972
Restricted - Capital Projects	3,105,361		3,105,361
Unrestricted	5,562,923		5,562,923
Total Net Position	25,323,761	3,378,495	28,702,256
Total Liabilities and Deferred Inflows of Resources and Net Position	$25,743,064	$3,378,495	$29,121,559

CITY OF EAGLE, IDAHO

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

Year Ended September 30, 2024

	Water Fund	Fiber Fund	Total Enterprise Funds
Operating Revenues			
Service Fees	$1,674,677		$1,674,677
STL & WCE Fees	993,028		993,028
Hook-Up Fees	334,500		334,500
Miscellaneous	69,819		69,819
Total Operating Revenues	3,072,024	$0	3,072,024
Operating Expenses			
Personnel	329,144	180,538	509,682
Operations & Maintenance	310,530	217,361	527,891
Total Operating Expenses	639,674	397,899	1,037,573
Operating Income (Loss) Before Depreciation	2,432,350	(397,899)	2,034,451
Depreciation Expense	813,074		813,074
Operating Income (Loss)	1,619,276	(397,899)	1,221,377
Nonoperating Revenues (Expenses)			
Interest Income	324,810		324,810
Interest Expense	(334)		(334)
Pension Revenue (Expense)	(46,117)		(46,117)
Total Nonoperating Revenue (Expenses)	278,359	0	278,359
Income (Loss) Before Contributions & Transfers	1,897,635	(397,899)	1,499,736
Capital Contributions	3,802,696		3,802,696
Transfers In			0
Transfers Out		(668,080)	(668,080)
Change in Net Position	5,700,331	(1,065,979)	4,634,352
Net Position - Beginning	19,623,430	4,444,474	24,067,904
Net Position - Ending	$25,323,761	$3,378,495	$28,702,256

CITY OF EAGLE, IDAHO
Statement of Cash Flows - Proprietary Funds
Year Ended September 30, 2024

	Water Fund	Fiber Fund	Total Enterprise Funds
Cash Flows From Operations			
Receipts from Customers	$3,090,763		$3,090,763
Payments for Personnel	(427,840)	($224,445)	(652,285)
Payments for Goods & Services	(288,425)	(432,229)	(720,654)
Cash Provided (Used) By Operations	2,374,498	(656,674)	1,717,824
Cash Flows From Noncapital Financing			
Transfers (to) From Other Funds		(668,080)	(668,080)
Cash Provided (Used) By Noncapital Financing	0	(668,080)	(668,080)
Cash Flows From Capital & Related Financing			
Acquisition of Capital Assets	(401,129)	(315,321)	(716,450)
Interest Paid on Debt	(2,267)		(2,267)
Principal Paid on Debt	(118,942)		(118,942)
Cash Provided (Used) By Capital & Related Financing	(522,338)	(315,321)	(837,659)
Cash Flows From Investments			
Interest Income	324,810		324,810
Cash Provided (Used) By Investments	324,810	0	324,810
Change in Cash & Investments	2,176,970	(1,640,075)	536,895
Cash & Investments - Beginning	6,730,907	1,640,075	8,370,982
Cash & Investments - Ending	$8,907,877	$0	$8,907,877
Cash & Investments Reconciliation			
Cash & Investments	$5,709,666	$0	$5,709,666
Restricted Cash & Investments	3,198,211	0	3,198,211
Total Cash & Investments	$8,907,877	$0	$8,907,877
Reconciliation of Operating Income (Loss) to Cash Provided (Used) By Operations			
Operating Income (Loss)	$1,619,276	($397,899)	$1,221,377
Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operations:			
Depreciation	813,074	0	813,074
PERSI Adjustment	(94,583)	(43,907)	(138,490)
Changes in Assets & Liabilities:			
Receivables	22,139		22,139
Accounts Payable & Accrued Expenses	22,105	(214,868)	(192,763)
Deposits Payable	(3,400)		(3,400)
Compensated Absences	(4,113)		(4,113)
Cash Provided (Used) By Operations	$2,374,498	($656,674)	$1,717,824
Noncash Capital & Related Financing Activities:			
Capital Contributions from Developers	$3,802,696		$3,802,696

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity – The City of Eagle, Idaho (the City) provides basic municipal services and operates under a mayor-council form of government. These financial statements are prepared in accordance with generally accepted accounting principles (GAAP) as applied to cities. The governmental accounting standards board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (statements and interpretations). The more significant accounting policies established in GAAP and used by the City are discussed below.

As required by GAAP, these financial statements present the City and its two component units, the Spring Valley Community Infrastructure District No. 1 (SVCID) and Avimor Community Infrastructure District No. 1 (ACID). The SVCID and ACID board of directors are appointed by and comprised of City council members. In addition, SVCID and ACID operational responsibilities are performed by a management team that is separate from the City's management. As such, the SVCID and ACID qualify as discretely presented component units. Separate financial statements and note disclosures for the SVCID and ACID are issued and available from the City.

Basic Financial Statements - Government-Wide Statements – The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both government-wide and fund financial statements categorize primary activities as either governmental or business-type.

In the government-wide statement of net position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations.

The government-wide statement of activities reports both the gross and net cost of each of the City's functions and business-type activities. The functions are also supported by general government revenues as reported in the statement of activities. The statement of activities reduces gross expenses (including depreciation when recorded) by related program revenues and operating and capital grants. Program revenues must be directly associated with the function. Internal activity between funds is eliminated in the government-wide statement of activities. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reports capital-specific grants.

The net costs (by function or business-type activity) are normally covered by general revenues.

The City's sole activity is providing basic municipal services, and substantially all expenses are directly related to this activity. Accordingly, there is no allocation of indirect costs.

The government-wide focus is more on the sustainability of the City as an entity and the change in the City's net position resulting from the current year's activities. Fiduciary funds, when present, are not included in the government-wide statements.

Basic Financial Statements - Fund Financial Statements – The financial transactions of the City are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures/expenses.

The emphasis in fund financial statements is on the major funds. Nonmajor funds by category are summarized into a single column. Generally accepted accounting principles set forth minimum criteria (percentage of assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues or expenditures/expenses of the funds) for the determination of major funds.

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. Major governmental funds of the City include:

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

Debt Service Fund – The debt service fund is used to account for the accumulation of funds for the periodic payment of principal and interest on long-term debt.

Capital Projects Fund – Capital projects funds are used to account for the acquisition and betterment of capital assets. Major capital project funds include the park fund, used to account for the maintenance and betterment of parks and related facilities, the capital projects fund, used to account for the maintenance and betterment of capital assets, and the pathway fund, used to account for the maintenance and betterment of pathways and related facilities.

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. Enterprise funds are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity is financed with debt that is solely secured by a pledge of the net revenues. The activities reported in enterprise funds are reported as business-type activities in the government-wide financial statements. Major enterprise funds of the City include:

Water Fund – The water fund accounts for the revenues earned and expenses incurred in providing water services.

Fiber Fund – The fiber fund accounts for the revenues earned and expenses incurred in providing fiber services.

Basis of Accounting – Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Both governmental and business-type activities in the government-wide financial statements and proprietary and fiduciary fund financial statements are reported on the full accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual (when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or within thirty days after year end. Expenditures are recorded when the related fund liability is incurred. Exceptions to this general rule include principal and interest on long-term debt which, if any, are recognized when due and payable.

Cash and Investments – Nearly all the cash and investment balances of the City's funds are pooled for investment purposes. The individual funds' portions of the pooled cash and investments are reported in each fund as cash and investments. Interest earned on pooled cash and investments is allocated to the various funds based on each fund's respective investment balance. Investments are measured using the market approach and include the local government investment pool, reported and measured at amortized cost following the provisions of GASB 79 which provide for consistent measurement of investment value amongst pool participants.

For purposes of the statement of cash flows, the City considers all investments (including restricted cash and investments) available for immediate withdrawal or with maturities of three months or less to be cash and cash equivalents (referred to as cash and investments).

Receivables – Receivables are reported net of any estimated uncollectible amounts.

Inventories – Material supplies on hand at year end are stated at the lower of cost or net realizable value using the first-in, first-out method.

Capital Assets and Depreciation – Capital assets purchased or acquired with an original cost of $5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation over the estimated useful lives of all depreciable assets is recorded using the straight line method.

Leases/SBITAs and Amortization – Material long-term leases and subscription-based information technology arrangements (SBITAs) are reported in accordance with the provisions of GASB 87 *Leases* and GASB 96 *SBITAs*. When incurred, amortization over the appropriate lease or SBITA term is recorded using the straight-line method.

Compensated Absences – The City provides certain compensated absences to its employees. The estimated amount of compensation for future amounts is recorded as a liability in the accompanying financial statements. Compensated absences will be paid by the fund in which the employee works.

Pensions – For purposes of measuring the net pension asset/liability and pension revenue (expense), information about the fiduciary net position of the Public Employee Retirement System of Idaho Base Plan (the Base Plan) and additions to/deductions from the 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. Pension obligations will be paid by the fund in which the employee works.

Deferred Outflows/Inflows of Resources – The City's financial statements may report deferred outflows/inflows of resources. Deferred outflows of resources represent a consumption of net assets that apply to a future period. Deferred inflows of resources represent an acquisition of net assets that apply to a future period. Deferred outflows/inflows of resources generally represent amounts that are not available in the current period.

Net Position – Net position is assets plus deferred outflows of resources less liabilities less deferred inflows of resources. The net investment in capital assets component of net position consists of the historical cost

of capital assets less accumulated depreciation less any outstanding debt that was used to finance those assets plus deferred outflows of resources less deferred inflows of resources related to those assets. Restricted net position consists of assets that are restricted by creditors, grantors, contributors, legislation, and other parties. All other net position not reported as restricted or net investment in capital assets is reported as unrestricted.

Fund Balance Classifications – Restrictions of the fund balance indicate portions that are legally or contractually segregated for a specific future use. Nonspendable portions of the fund balance are those amounts that cannot be spent because they are in a nonspendable form or because they are legally or contractually required to be maintained intact. Committed portions represent amounts that can only be used for specific purposes pursuant to formal action (i.e. board approval) of the reporting entity's governing body. Assigned portions represent amounts that are constrained by the government's intent to be used for a specific purpose. Remaining fund balances are reported as unassigned. When expenditures are incurred that qualify for either restricted or unrestricted resources, the City first utilizes restricted resources. When expenditures are incurred that qualify for either committed or assigned or unassigned resources, the City first utilizes committed resources then assigned resources before using unassigned resources.

Property Taxes – The City is responsible for levying property taxes, but the taxes are collected by the respective county. Taxes are levied by the second Monday in September for each calendar year. Taxes are due in two installments – December 20th and June 20th. A lien is filed on real property three years from the date of delinquency.

Contingent Liabilities – Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

Interfund Activity – Interfund activity is reported either as loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

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

Custodial Credit Risk – The City maintains its cash at insured financial institutions. Periodically, balances may exceed federally insured limits. Balances not covered by FDIC are collateralized whenever possible.

Risk Management – The City is exposed to various risks related to its operations. Insurance is utilized to the extent practical to minimize these risks.

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

B. CASH AND INVESTMENTS

Cash and investments consist of the following at year end:

	Governmental Funds	Proprietary Funds	Total
Cash - Deposits	$7,035,209	$581,289	$7,616,498
Investments - Local Gov't Investment Pool	11,900,511	8,326,588	20,227,099
Total	$18,935,720	$8,907,877	$27,843,597

Deposits – At year end, the carrying amounts of the City's deposits were $7,616,498 and the bank balances were $8,458,434. Of the bank balances, $304,366 was insured and $8,154,068 was collateralized.

Considerations for interest rate risk and credit rate risk relating to investments are shown below.

Interest rate risk:

	Investment Maturity Schedule (In Years)	
Investment Type	Less Than 1	Total
Local Gov't Invest Pool	$20,227,099	$20,227,099
Total	$20,227,099	$20,227,099

Credit rate risk:

	Investment Rating Schedule	
Investment Type	Not Rated	Total
Local Gov't Invest Pool	$20,227,099	$20,227,099
Total	$20,227,099	$20,227,099

Investments – State statutes authorize government entities to invest in certain bonds, notes, accounts, investment pools, and other obligations of the state, U.S. Treasury, and U.S. corporations pursuant to Idaho Code 67-1210 and 67-1210A. These statutes are designed to help minimize the custodial risk that deposits may not be returned in the event of the failure of the issuer or other counterparty, interest rate risk resulting from fair value losses arising from rising interest rates, or credit risks that an issuer or other counterparty will not fulfill its obligations. The City's investment policy complies with state statutes.

The local government investment pool is managed by the state treasurer's office and is invested in accordance with state statutes and regulations. The local government investment pool is not registered with the SEC and is a short-term investment pool. The state treasurer’s office investment policy for the local government investment pool includes the following three primary objectives in order of priority: safety, liquidity, and yield. Participants have overnight availability to their funds, up to $10 million. Withdrawals of $10 million or more require three business days’ notification. More information on the local governmental investment pool including regulatory information, ratings, and risk information can be found at www.sto.idaho.gov.

Restricted Cash and Investments – Restricted cash and investments at year end is cash and investments set aside because its use is limited by City ordinance, accounting policies, and loan covenants. In the general fund, cash and investments received for surety bond deposits is reported as restricted. In the water fund, the customer deposit account is used to report resources received from users of the water system, to be returned to the customer when leaving the system provided that all utility bills are paid current. Supply trunk line fees and water construction equivalency fees received in the water fund are also reported as restricted.

C. CAPITAL ASSETS

A summary of capital assets for the year is as follows:

Governmental Activities	Beginning Balance	Increases	Decreases	Ending Balance
Nondepreciable Capital Assets				
Land	$17,321,144			$17,321,144
Artwork/Collectibles	132,917			132,917
Construction in Progress	318,590			318,590
Total	17,772,651	$0	$0	17,772,651
Depreciable Capital Assets				
Buildings	10,210,279			10,210,279
Improvements	19,509,847	3,113,950		22,623,797
Equipment	6,672,291	307,041		6,979,332
Subtotal	36,392,417	3,420,991	0	39,813,408
Accumulated Depreciation				
Buildings	2,341,291	204,039		2,545,330
Improvements	6,907,745	717,629		7,625,374
Equipment	5,112,100	287,342		5,399,442
Subtotal	14,361,136	1,209,010	0	15,570,146
Total	22,031,281	2,211,981	0	24,243,262
Net Capital Assets	$39,803,932	$2,211,981	$0	$42,015,913

Depreciation expense of $1,209,010 was charged to the capital assets program.

Business-Type Activities	Beginning Balance	Increases	Decreases	Ending Balance
Nondepreciable Capital Assets				
Land	$93,250			$93,250
Total	93,250	$0	$0	93,250
Depreciable Capital Assets				
Buildings	559,285			559,285
Improvements	16,960,303	3,983,481		20,943,784
Equipment	4,618,926	535,665		5,154,591
Subtotal	22,138,514	4,519,146	0	26,657,660
Accumulated Depreciation				
Buildings	194,823	11,186		206,009
Improvements	4,591,075	687,842		5,278,917
Equipment	1,117,966	114,046		1,232,012
Subtotal	5,903,864	813,074	0	6,716,938
Total	16,234,650	3,706,072	0	19,940,722
Net Capital Assets	$16,327,900	$3,706,072	$0	$20,033,972

Depreciation expense of $813,074 was charged to the water services program.

D. LONG-TERM LIABILITIES

Bonded Debt – At year end, the City's bonded debt was as follows:

Governmental Activities:

	Outstanding
2013 - $985,000 - general obligation bonds for capital assets due in annual principal installments and semiannual interest payments with interest at 2% - 5% through 2026, secured by future taxes, paid through the debt service fund	$195,000
Total	$195,000

Maturities on the bonds – governmental activities – are estimated as follows:

Year Ended	Principal	Interest
9/30/25	$95,000	$9,750
9/30/26	100,000	5,000
Total	$195,000	$14,750

Changes in long-term liabilities are as follows:

Description	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Act.					
2013 GO Bonds	$285,000		$90,000	$195,000	$95,000
Bond Premium	20,587		10,291	10,296	10,296
Comp. Absences	311,760	$16,168		327,928	327,928
Net Pension Liability	3,706,757		277,348	3,429,409	-
Subtotal	4,324,104	16,168	377,639	3,962,633	433,224
Business-Type Act.					
Water Revenue Loan	118,942		118,942	0	
Comp. Absences	12,420		4,113	8,307	8,307
Net Pension Liability	397,724		208,468	189,256	-
Subtotal	529,086	0	331,523	197,563	8,307
Total	$4,853,190	$16,168	$709,162	$4,160,196	$441,531

Interest and related costs during the year amounted to $3,754 and $334 and were charged to the debt service – interest and water services programs, respectively.

E. 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 for general employees and 74% for public safety. As of June 30, 2024 it was 6.71% for general employees and 9.83% for public safety. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.18% for general employees and 13.26% for public safety. The City's contributions were $540,233 for the year ended September 30, 2024.

Pension asset/liabilities, pension revenue (expense), and deferred outflows/inflows of resources related to pensions

At September 30, 2024, the City reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2024, the City's proportion was 0.09673906%.

For the year ended September 30, 2024, the City recognized pension revenue (expense) of ($881,769). 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	$576,125	
Changes in assumptions or other inputs	143,352	
Net difference between projected and actual earnings on pension plan investments		$65,685
Employer contributions subsequent to the measurement date	135,058	
Total	$854,535	$65,685

$135,058 reported as deferred outflows of resources related to pensions resulting from City contributions made subsequent to the measurement date will be recognized as an adjustment to the pension revenue (expense) in the year ending September 30, 2025.

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 June 30, 2024.

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

Year Ended	
9/30/25	($178,603)
9/30/26	(674,709)
9/30/27	116,352
9/30/28	83,167
Total	($653,793)

Actuarial assumptions

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

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

Inflation	2.30%
Salary increases including inflation	3.05%
Investment rate of return, net of investment expenses	6.35%
Cost-of-living (COLA) 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% 5% of Fire & Police active member deaths are assumed to be duty related. This assumption was adopted July 1, 2021.
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.

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

Discount rate

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

Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate.

The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 6.35 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (5.35%)	Current Discount Rate (6.35%)	1% Increase (7.35%)
City's proportionate share of the net pension liability	$6,876,590	$3,618,665	$957,770

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.

Impact on the City's net position

Depending on the annual performance of the Base Plan and the various non-financial factors that affect the collective Base Plan net pension liability (as described above), the City may periodically experience a deficit in its net position. This can occur as a result of recording the City's allocable portion of the net pension liability which is an estimated liability that changes substantially from year to year depending on the factors described above but does not currently require cash outflows. As the net pension liability of the Base Plan is closely monitored by PERSI's board (who makes changes to the contribution rates and other terms of the Base Plan when deemed necessary), such deficits are not deemed to be of substantial concern.

F. IMPACT FEE CREDITS

The City has entered into an agreement with a developer in which the developer transferred real property to the City in partial exchange for receiving impact fee credits that accrue on certain development property. These impact fee credits are reduced over time as these impact fees are collected by the City and remitted to the developer.

G. INTERFUND TRANSFERS

Interfund transfers during the year consist of the following:

Fund	Transfer In	Transfer Out	Purpose
General	$418,080	$1,059,233	Debt Service, Projects
Debt Service	104,045		Debt Service
Capital Projects	1,205,188		Projects
Fiber		668,080	Projects
Total	$1,727,313	$1,727,313	

H. TAX ABATEMENTS

Idaho counties are authorized by state statute to transact certain property tax activity with property owners in their respective taxing districts. The counties collect the property taxes, then allocate and remit those collections among the taxing districts within the counties. The counties are authorized to cancel or reduce property taxes due to various reasons, including the circuit breaker program, agricultural and other exemptions, and section 63-602NN exemptions under Idaho code for real property improvements.

CITY OF EAGLE, IDAHO

Budgetary Comparison Schedule - General and Major Special Revenue Funds

Year Ended September 30, 2024

General Fund	Budgeted Amounts (GAAP Basis) Original	Budgeted Amounts (GAAP Basis) Final	Actual Amounts	Final Budget Variance Positive (Negative)	
Revenues					
Taxes	$4,773,069	$4,773,069	$4,801,015	$27,946	
Franchise Fees	1,095,000	1,095,000	1,132,643	37,643	
Intergovernmental	4,634,845	4,634,845	4,200,625	(434,220)	
Licenses, Permits, & Fees	2,920,330	2,920,330	5,381,027	2,460,697	
Interest	25,000	25,000	444,832	419,832	
Miscellaneous & Grants	11,004,563	11,004,563	242,292	(10,762,271)	
Total Revenues	24,452,807	24,452,807	16,202,434	(8,250,373)	
Expenditures					
Current Expenditures					
General Government	19,642,228	19,642,228	6,262,368	13,379,860	
Public Safety	4,232,000	4,232,000	4,534,210	(302,210)	
Parks, Pathways, & Streets	2,973,602	2,973,602	1,942,055	1,031,547	
Culture & Recreation	2,154,507	2,154,507	2,365,844	(211,337)	
Capital Outlay	451,000	451,000	307,041	143,959	
Debt Service - Principal	0	0	0	0	
Debt Service - Interest	0	0	0	0	
Total Expenditures	29,453,337	29,453,337	15,411,518	14,041,819	*
Excess (Deficiency) of Revenues Over Expenditures	(5,000,530)	(5,000,530)	790,916	5,791,446	
Other Financing Sources (Uses)					
Transfers In	0	0	418,080	418,080	
Transfers Out	(3,102,950)	(3,102,950)	(1,059,233)	2,043,717	*
Total Other Financing Sources (Uses)	(3,102,950)	(3,102,950)	(641,153)	2,461,797	
Net Change in Fund Balances	(8,103,480)	(8,103,480)	149,763	8,253,243	
Fund Balances - Beginning	8,103,480	8,103,480	7,805,009	(298,471)	
Fund Balances - Ending	$0	$0	$7,954,772	$7,954,772	
	**Total expenditures (over) under appropriations are:*			$16,085,536	

CITY OF EAGLE, IDAHO

Schedule of Employer's Share of Net Pension Asset and Liability
and Schedule of Employer Contributions
PERSI - Base Plan

Schedule of Employer's Share of Net Pension Asset and Liability*

Fiscal Year Ended June 30	Employer's Portion of the Net Pension (Asset) Liability	Employer's Proportionate Share of the Net Pension (Asset) Liability	Covered Payroll	Employer's Proportional Share of the Net Pension (Asset) Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension (Asset) Liability
2015	0.06005400%	$790,813	$1,674,832	47.22%	91.38%
2016	0.06110080%	$1,238,607	$1,756,405	70.52%	87.26%
2017	0.06405850%	$1,006,890	$1,989,611	50.61%	90.68%
2018	0.07276850%	$1,073,348	$2,341,228	45.85%	91.69%
2019	0.07542060%	$860,905	$2,561,590	33.61%	93.79%
2020	0.08064110%	$1,872,593	$2,871,533	65.21%	88.22%
2021	0.08614530%	($68,036)	$3,214,824	-2.12%	100.36%
2022	0.08953030%	$3,526,383	$3,530,578	99.88%	83.09%
2023	0.10285191%	$4,104,481	$4,373,174	93.86%	83.83%
2024	0.09673906%	$3,618,665	$4,740,823	76.33%	85.54%

*As of the measurement date of the net pension (asset) liability.

Schedule of Employer Contributions

Fiscal Year Ended September 30	Actuarially Determined Contribution	Contributions in Relation to Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	$189,591	$189,591	$0	$1,674,832	11.32%
2016	$198,825	$198,825	$0	$1,756,405	11.32%
2017	$228,241	$228,241	$0	$2,016,263	11.32%
2018	$269,919	$269,919	$0	$2,384,443	11.32%
2019	$309,754	$309,754	$0	$2,700,821	11.47%
2020	$352,614	$352,614	$0	$2,953,216	11.94%
2021	$398,638	$398,638	$0	$3,338,677	11.94%
2022	$440,960	$440,960	$0	$3,693,132	11.94%
2023	$514,501	$514,501	$0	$4,378,732	11.75%
2024	$540,233	$540,233	$0	$4,749,301	11.38%

Schedules above intended to show information for 10 years. Information for additional years will be presented as it becomes available.

CITY OF EAGLE, IDAHO
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2024

Federal Grantor/ Pass-Through Grantor/Program or Cluster Title	Federal AL Number	Pass-Through Entity Identifying Number	Federal Expenditures
US Dept of Transportation			
Passed Through Idaho Transportation Dept			
Highway Planning & Construction	20.205	None	$522,140
Total US Dept of Transportation			522,140
US Dept of Treasury			
Passed Through Idaho State Controller's Office			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	None	979,885
Passed Through Idaho Commission for Libraries			
COVID 19 - Coronavirus Capital Projects Fund	21.029	FACI 24-06	15,000
Total US Dept of Treasury			994,885
Total Expenditures of Federal Awards			$1,517,025

NOTES:

A. Basis of Presentation - The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of the City under programs of the federal government for the year ended September 30, 2024. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements.* Because the schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

B. Summary of Significant Accounting Policies - Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. No awards were passed through to subrecipients. The City has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

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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*

Honorable Mayor and City Council
City of Eagle, Idaho

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, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Eagle, Idaho (the City), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated February 12, 2025.

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 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 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 that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of 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

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results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or compliance. This 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. Accordingly, this communication is not suitable for any other purpose.

Quest CPAs PLLC

Meridian, Idaho
February 12, 2025

Quest CPAs PLLC
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Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

Honorable Mayor and City Council
City of Eagle, Idaho

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Eagle, Idaho's (the City's) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2024. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

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Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, 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 City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in

internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Quest CPAs PLLC

Meridian, Idaho
February 12, 2025

SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of auditor's report being issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Noncompliance material to the financial statements noted?	No

FEDERAL AWARDS

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings that are required to be reported in accordance with 2 CFR section 200.516(a)?	No

Major program identification:
a. COVID-19 - Coronavirus State and Local Fiscal Recovery Funds – AL #21.027

Dollar threshold used to distinguish between type A and B programs:	$750,000
Auditee qualified as a low-risk auditee?	Yes