CITY OF EMMETT, IDAHO

Report on Audited
Basic
Financial Statements
and
Supplemental Information

For the Year Ended September 30, 2024

Table of Contents

	Page
Independent Auditor's Report	4
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements:	
Statement Of Net Position	8
Statement Of Activities	9
Fund Financial Statements:	
Balance Sheet – Governmental Funds	10
Reconciliation Of The Balance Sheet Of The Governmental Funds To The Statement Of Net Position	11
Statement Of Revenues, Expenditures, And Changes In Fund Balances – Governmental Funds	12
Reconciliation Of The Statement Of Revenues, Expenditures, And Changes In Fund Balances Of The Governmental Funds To The Statement Of Activities	13
Statement Of Cash Flows – Proprietary Funds	14
Statement Of Revenues, Expenses, And Changes In Fund Net Position – Proprietary Funds	15
Statement Of Cash Flows – Proprietary Funds	16
Statement Of Fiduciary Net Position – Fiduciary Funds	18
Statement Of Changes In Fiduciary Net Position – Fiduciary Funds	19
Notes To Financial Statements	20

REQUIRED SUPPLEMENTAL INFORMATION

Budgetary (GAAP Basis) Comparison Schedule:

General Fund 39

Roads And Streets Fund 40

Notes To Required Supplementary Information 41

Schedule Of Required Supplemental Information 42

SUPPLEMENTAL INFORMATION

Supplemental Schedule Of Revenues By Source – Budget And Actual – General Fund 44

Supplemental Schedule Of Expenditures By Object Of Expenditure – Budget And Actual – General Fund 45

Combining Balance Sheet – Nonmajor Governmental Funds 48

Combining Statement Of Revenues, Expenditures, And Changes In Fund Balances – Nonmajor Governmental Funds 49

Combining Statement Of Net Position – Nonmajor Proprietary Funds 50

Combining Statement Of Revenues, Expenses, And Changes In Fund Net Position – Nonmajor Proprietary Funds 51

FEDERAL REPORTS

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* 53

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Independent Auditor's Report

To the Honorable Mayor and
City Council
City of Emmett, Idaho

Report on Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Emmett, 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, each major fund, and the aggregate remaining fund information of the City of Emmett, Idaho's basic financial statements as listed in the table of contents.

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 the City of Emmett, 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.

Responsibility 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 of Emmett, Idaho's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's 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 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 judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS 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 of Emmett, Idaho's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Emmett, Idaho's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The supplemental schedules of revenues by source and expenditures by object for the General fund, as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, Schedule of Required Supplemental Information 38 through 41 presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Supplementary Information

The schedules of revenues by source, expenditures by object, and the combining nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of revenues by source, expenditures by object, and the combining nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 26, 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, 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 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.

Zwygart John & Associates, PLLC

Nampa, Idaho
February 26, 2025

BASIC FINANCIAL STATEMENTS

City of Emmett, Idaho
Statement of Net Position
September 30, 2024

	Governmental Activities	Business-Type Activities	Total
Assets			
Current Assets			
Cash and Cash Equivalents	$ 7,257,568	$ 14,691,045	$ 21,948,613
Certificates of Deposit	46,986	-	46,986
Accounts Receivable, Net	5,143	452,731	457,874
Taxes Receivable, Net	67,963	1,394	69,357
Due from Other Governments	244,447	-	244,447
Prepaid Items	35,453	42,727	78,180
Total Current Assets	7,657,560	15,187,897	22,845,457
Long-Term Assets			
Restricted Cash	-	56,104	56,104
Capital Assets			
Land and Construction in Progress	259,742	579,674	839,416
Buildings, Net	446,898	88,735	535,633
Equipment, Net	467,304	598,936	1,066,240
Improvements, Net	1,805,196	13,449,676	15,254,872
Total Net Capital Assets	2,979,140	14,717,021	17,696,161
Total Long-Term Assets	2,979,140	14,773,125	17,752,265
Total Assets	10,636,700	29,961,022	40,597,722
Deferred Outflows			
Pension Related Items	281,300	230,155	511,455
Total Deferred Outflows	281,300	230,155	511,455
Liabilities			
Current Liabilities			
Accounts Payable	47,243	138,765	186,008
Salaries Payable	61,602	33,608	95,210
Current Portion of Municipal Lease	45,063	-	45,063
Current Portion of Bonds Payable	-	480,000	480,000
Compensated Absences	28,432	25,056	53,488
Total Current Liabilities	182,340	677,429	859,769
Long-Term Liabilities			
Municipal Lease	125,957	-	125,957
Bonds Payable	-	9,356,400	9,356,400
Net Pension Liability	1,165,282	953,413	2,118,695
Total Long-Term Liabilities	1,291,239	10,309,813	11,601,052
Total Liabilities	1,473,579	10,987,242	12,460,821
Deferred Inflows			
Pension Related Items	21,152	17,307	38,459
Total Deferred Inflows	21,152	17,307	38,459
Net Position			
Net Investment in Capital Assets	2,808,120	4,936,725	7,744,845
Restricted for:			
Debt Service	-	56,104	56,104
Other Purposes	6,517,408	-	6,517,408
Unrestricted Surplus	97,741	14,193,799	14,291,540
Total Net Position	$ 9,423,269	$ 19,186,628	$ 28,609,897

The accompanying notes are an integral part of the financial statements.

City of Emmett, Idaho
Statement of Activities
For the Year Ended September 30, 2024

	Expenses	Program Revenues: Charges for Services and Sales	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-Type Activities	Net (Expense) Revenue and Changes in Net Position: Total
Primary Government:							
Governmental Activities:							
General Government	$ 1,485,763	$ 285,888	$ 48,177	$ -	$ (1,151,698)	$ -	$ (1,151,698)
Public Safety	2,017,485	-	19,826	-	(1,997,659)	-	(1,997,659)
Roads and Streets	851,019	60,486	271,391	-	(519,142)	-	(519,142)
Library	288,034	-	-	-	(288,034)	-	(288,034)
Interest on Financing	14,579	-	-	-	(14,579)	-	(14,579)
Total Governmental Activities	4,656,880	346,374	339,394	-	(3,971,112)	-	(3,971,112)
Business-Type Activities:							
Water	1,879,535	2,488,007	-	-	-	608,472	608,472
Sewer	2,474,129	3,021,555	-	-	-	547,426	547,426
Sanitation	727,060	763,752	-	-	-	36,692	36,692
Other Activities	165,595	127,263	-	-	-	(38,332)	(38,332)
Total Business-Type Activities	5,246,319	6,400,577	-	-	-	1,154,258	1,154,258
Total Primary Government	$ 9,903,199	$ 6,746,951	$ 339,394	$ -	(3,971,112)	1,154,258	(2,816,854)
General Revenues:							
Property Taxes					2,279,715	45,869	2,325,584
Intergovernmental					2,043,115	-	2,043,115
Interest					268,481	679,480	947,961
Other					429,513	-	429,513
Transfers					62,023	(62,023)	-
Total General Revenues and Special Items					5,082,847	663,326	5,746,173
Change in Net Position					1,111,735	1,817,584	2,929,319
Net Position, Beginning of Year					8,328,986	17,369,044	25,698,030
Prior Period Adjustment					(17,452)	-	(17,452)
Net Position, Beginning of Year					8,311,534	17,369,044	25,680,578
Net Position, End of Year					$ 9,423,269	$ 19,186,628	$ 28,609,897

The accompanying notes are an integral part of the financial statements.

City of Emmett, Idaho
Balance Sheet -
Governmental Funds
September 30, 2024

	General	Roads and Streets	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and Cash Equivalents	$ 4,599,571	$ 1,532,086	$ 1,125,911	$ 7,257,568
Certificate of Deposit	-	-	46,986	46,986
Receivables, Net				
Property Taxes	58,072	2,913	6,978	67,963
Accounts	-	5,143	-	5,143
Due from Other Governments	244,447	-	-	244,447
Prepaid Items	31,545	3,908	-	35,453
Total Assets	$ 4,933,635	$ 1,544,050	$ 1,179,875	$ 7,657,560
Liabilities, Deferred Inflows, and Fund Balances				
Liabilities				
Accounts Payable	$ 25,907	$ 20,791	$ 545	$ 47,243
Wages Payable	51,552	5,520	4,530	61,602
Total Liabilities	77,459	26,311	5,075	108,845
Deferred Inflows				
Unearned Revenue - Property Tax	51,187	2,568	6,150	59,905
Total Deferred Inflows	51,187	2,568	6,150	59,905
Fund Balances				
Nonspendable	31,545	3,908	-	35,453
Assigned	2,000,000	-	-	2,000,000
Committed	1,837,365	723,394	239,653	2,800,412
Restricted	-	787,869	929,127	1,716,996
Unassigned	936,079	-	(130)	935,949
Total Fund Balances	4,804,989	1,515,171	1,168,650	7,488,810
Total Liabilities, Deferred Inflows, and Fund Balances	$ 4,933,635	$ 1,544,050	$ 1,179,875	$ 7,657,560

The accompanying notes are an integral part of the financial statements.

City of Emmett, Idaho
Reconciliation of the Balance Sheet of the
Governmental Funds to the Statement of Net Position
September 30, 2024

Total Fund Balances - Governmental Funds		$ 7,488,810
Amounts reported for governmental activities in the Statement of Net Position are different because of the following:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds. The cost of assets consist of:		
Land and Construction in Progress	$ 259,742	
Buildings, Net of $965,228 Accumulated Depreciation	446,898	
Equipment, Net of $2,435,786 Accumulated Depreciation	467,304	
Improvements, Net of $2,348,974 Accumulated Depreciation	1,805,196	
		2,979,140
Property taxes receivable will be collected this year, but are not available soon enough to pay for current period's expenditures, and, therefore, are are unearned in the funds.		59,905
Long-term liabilities, applicable to the City's governmental activities, are not due and payable in the current period and, accordingly, are not reported as fund liabilities. Interest on long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due. All liabilities—both current and long-term—are reported in the Statement of Net Position.		
Municipal Leases Payable		(171,020)
Compensated Absences		(28,432)
The City participates in the Public Employee Retirement System of Idaho, which is a cost-sharing plan. As a participant, they are required to report their share of the Net Pension Liability and the related deferred inflows and outflows on their Statement of Net Position.		
Net Pension Liability	$ (1,165,282)	
Pension Related Deferred Inflows	(21,152)	
Pension Related Deferred Outflows	281,300	
		(905,134)
Net Position of Governmental Activities		$ 9,423,269

The accompanying notes are an integral
part of the financial statements.

City of Emmett, Idaho
Statement of Revenues, Expenditures, and
Changes in Fund Balances -
Governmental Funds
For the Year Ended September 30, 2024

	General	Roads and Streets	Other Governmental Funds	Total Governmental Funds
Revenues				
Property Taxes	$ 1,904,846	$ 141,781	$ 228,905	$ 2,275,532
Licenses and Permits	285,888	60,486	-	346,374
Intergovernmental	1,428,889	831,421	122,199	2,382,509
Interest	213,802	54,679	-	268,481
Other	109,369	257,827	62,317	429,513
Total Revenues	3,942,794	1,346,194	413,421	5,702,409
Expenditures				
Current:				
General Government	1,196,480	-	94,738	1,291,218
Public Safety	2,123,669	-	-	2,123,669
Roads and Streets	3,506	709,599	-	713,105
Library	-	-	319,796	319,796
Debt Service:				
Principal	32,432	-	-	32,432
Interest	14,579	-	-	14,579
Capital Outlay	175,213	-	-	175,213
Total Expenditures	3,545,879	709,599	414,534	4,670,012
Excess (Deficiency) of Revenues Over Expenditures	396,915	636,595	(1,113)	1,032,397
Other Financing Resources (Uses)				
Proceeds From Lease	186,000	-	-	186,000
Transfers In	42,023	20,000	7,500	69,523
Transfers Out	(7,500)	-	-	(7,500)
Total Other Financing Sources (Uses)	220,523	20,000	7,500	248,023
Net Change in Fund Balances	617,438	656,595	6,387	1,280,420
Fund Balances - Beginning	4,187,551	858,576	1,162,263	6,208,390
Fund Balances - Ending	$ 4,804,989	$ 1,515,171	$ 1,168,650	$ 7,488,810

The accompanying notes are an integral
part of the financial statements.

City of Emmett, Idaho
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of the
Governmental Funds to the Statement of Activities
For the Year Ended September 30, 2024

Total Net Change in Fund Balance - Governmental Funds		$ 1,280,420
Amounts reported for governmental activities in the Statement of Activities are different because of the following:		
Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their useful lives as depreciation expense. Because of this, gains or losses on disposals only appear in the Statement of Activities as well. In the current period these amounts are:		
Capital Outlay	$ 494,910	
Depreciation Expense	(323,266)	
Net		171,644
Because some property taxes will not be collected for several months after the City's fiscal year ends, they are not considered as "available" revenues in the governmental funds and are, instead, counted as unearned tax revenues. They are, however, recorded as revenues in the Statement of Activities.		4,183
Compensated absences reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This amount represents the net change in compensated absences.		138
Some capital additions were financed through municipal leases payable. In governmental funds, a municipal lease payable arrangement is considered a source of financing, but in the statement of Net Position, the municipal lease obligation is reported as a liability.		(186,000)
The City participates in the Public Employee Retirement System of Idaho, which is a cost-sharing plan. As a participant they are required to report their share of the Net Pension Liability and the related deferred inflows and outflows on their Statement of Net Position. The changes in the Net Pension Liability and the related deferred inflows and outflows does not affect the governmental funds, but are reported in the Statement of Activities.		(158,650)
Change in Net Position of Governmental Activities		$ 1,111,735

The accompanying notes are an integral
part of the financial statements.

City of Emmett, Idaho
Statement of Net Position - Proprietary Funds
September 30, 2024

	Water	Sewer	Sanitation	Other Proprietary Funds	Total
Assets					
Current Assets					
Cash and Cash Equivalents	$ 6,365,013	$ 7,679,031	$ 202,839	$ 444,162	$ 14,691,045
Accounts Receivable, Net	179,570	203,885	69,071	205	452,731
Taxes Receivable, Net	-	-	-	1,394	1,394
Prepaid Items	31,224	9,817	782	904	42,727
Total Current Assets	6,575,807	7,892,733	272,692	446,665	15,187,897
Long-Term Assets					
Restricted Cash	56,104	-	-	-	56,104
Capital Assets					
Land and Construction in Progress	184,477	385,197	-	10,000	579,674
Buildings, Net	59,046	-	-	29,689	88,735
Equipment, Net	188,581	404,141	-	6,214	598,936
Improvements, Net	2,437,566	11,002,441	-	9,669	13,449,676
Total Capital Assets	2,869,670	11,791,779	-	55,572	14,717,021
Total Long-Term Assets	2,925,774	11,791,779	-	55,572	14,773,125
Total Assets	9,501,581	19,684,512	272,692	502,237	29,961,022
Deferred Outflows					
Pension Related Items	102,291	112,520	5,115	10,229	230,155
Total Deferred Outflows	102,291	112,520	5,115	10,229	230,155
Liabilities					
Current Liabilities					
Wages Payable	15,771	15,012	1,278	1,547	33,608
Accounts Payable	102,728	31,153	704	4,180	138,765
Compensated Absences	13,105	7,743	1,001	3,207	25,056
Current Portion - Debt	100,000	380,000	-	-	480,000
Total Current Liabilities	231,604	433,908	2,983	8,934	677,429
Long-Term Liabilities					
Bonds and Leases Payable	2,192,146	7,164,254	-	-	9,356,400
Net Pension Liability	423,739	466,113	21,187	42,374	953,413
Total Long-Term Liabilities	2,615,885	7,630,367	21,187	42,374	10,309,813
Total Liabilities	2,847,489	8,064,275	24,170	51,308	10,987,242
Deferred Inflows					
Pension Related Items	7,692	8,461	385	769	17,307
Total Deferred Inflows	7,692	8,461	385	769	17,307
Net Position					
Net Investment in Capital Assets	577,524	4,247,525	-	55,572	4,880,621
Restricted for Debt Service	56,104	-	-	-	56,104
Unrestricted	6,115,063	7,476,771	253,252	404,817	14,249,903
Total Net Position	$ 6,748,691	$ 11,724,296	$ 253,252	$ 460,389	$ 19,186,628

The accompanying notes are an integral part of the financial statements.

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

	Water	Sewer	Sanitation	Other Proprietary Funds	Total
Operating Revenues					
Charges for Services	$ 1,792,690	$ 2,341,061	$ 763,752	$ 114,495	$ 5,011,998
Surcharge	79,910	-	-	-	79,910
Hook Ups	577,716	479,670	-	-	1,057,386
Property Tax	-	-	-	45,869	45,869
Other	37,691	200,824	-	12,768	251,283
Total Operating Revenues	2,488,007	3,021,555	763,752	173,132	6,446,446
Operating Expenses					
Salaries and Benefits	728,873	654,092	60,443	107,081	1,550,489
Contractor Services	34,356	8,534	548,915	-	591,805
Maintenance and Operations	749,263	677,385	117,702	52,280	1,596,630
Depreciation	314,626	939,792	-	6,234	1,260,652
Total Operating Expenses	1,827,118	2,279,803	727,060	165,595	4,999,576
Operating Income	660,889	741,752	36,692	7,537	1,446,870
Non-Operating Revenues (Expenses)					
Interest Earned	315,316	344,013	7,222	12,929	679,480
Interest Expense	(52,417)	(194,326)	-	-	(246,743)
Total Non-Operating Revenues (Expenses)	262,899	149,687	7,222	12,929	432,737
Income Before Transfers	923,788	891,439	43,914	20,466	1,879,607
Transfers					
Transfers Out	(29,593)	(12,430)	(20,000)	-	(62,023)
Net Transfers	(29,593)	(12,430)	(20,000)	-	(62,023)
Change in Net Position	894,195	879,009	23,914	20,466	1,817,584
Net Position - Beginning	5,854,496	10,845,287	229,338	439,923	17,369,044
Net Position - Ending	$ 6,748,691	$ 11,724,296	$ 253,252	$ 460,389	$ 19,186,628

The accompanying notes are an integral
part of the financial statements.

City of Emmett, Idaho
Statement of Cash Flows -
Proprietary Funds
For the Year Ended September 30, 2024

	Water	Sewer	Sanitation	Other Proprietary Funds	Total
Cash Flows from Operating Activities					
Receipts from Customers	$ 2,452,681	$ 2,821,772	$ 761,398	$ 114,373	$ 6,150,224
Payments to Suppliers for Goods or Services	(701,388)	(680,015)	(666,661)	(48,775)	(2,096,839)
Payments to Employees for Services	(690,134)	(607,079)	(60,624)	(105,226)	(1,463,063)
Other Cash Receipts	37,691	200,824	-	58,637	297,152
Net Cash Provided by Operating Activities	1,098,850	1,735,502	34,113	19,009	2,887,474
Cash Flows from Noncapital Financing Activities					
Transfers In (Out)	(29,593)	(12,430)	(20,000)	-	(62,023)
Net Cash Used in Noncapital Financing Activities	(29,593)	(12,430)	(20,000)	-	(62,023)
Cash Flows From Capital and Related Financing Activities					
Purchases and Construction of Capital Assets	(149,733)	(72,677)	-	-	(222,410)
Principal Paid on Capital Debt	(128,386)	(403,501)	-	-	(531,887)
Sale of Assets	1,433	-	-	-	1,433
Interest Paid on Capital Debt	(52,417)	(194,326)	-	-	(246,743)
Net Cash Used in Capital and Related Financing Activities	(329,103)	(670,504)	-	-	(999,607)
Cash Flows From Investing Activities					
Interest and Dividends	315,316	344,013	7,222	12,929	679,480
Net Cash Provided by Investing Activities	315,316	344,013	7,222	12,929	679,480
Net Increase in Cash and Cash Equivalents	1,055,470	1,396,581	21,335	31,938	2,505,324
Cash and Cash Equivalents, Beginning	5,365,647	6,282,451	181,504	412,224	12,241,826
Cash and Cash Equivalents, Ending	$ 6,421,117	$ 7,679,032	$ 202,839	$ 444,162	$ 14,747,150
Displayed As:					
Cash and Cash Equivalents	$ 6,365,013	$ 7,679,032	$ 202,839	$ 444,162	$ 14,691,046
Restricted Cash	56,104	-	-	-	56,104
	$ 6,421,117	$ 7,679,032	$ 202,839	$ 444,162	$ 14,747,150

The accompanying notes are an integral part of the financial statements.

City of Emmett, Idaho
Statement of Cash Flows -
Proprietary Funds (continued)
For the Year Ended September 30, 2024

	Water	Sewer	Sanitation	Other Proprietary Funds	Total
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:					
Operating Income	$ 660,889	$ 741,752	$ 36,692	$ 7,537	$ 1,446,870
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:					
Depreciation	314,626	939,792	-	6,234	1,260,652
Changes in Assets and Liabilities:					
(Increase) Decrease in Accounts Receivable	2,365	1,041	(2,354)	(122)	930
(Increase) Decrease in Prepaid Items	(8,984)	(2,669)	136	650	(10,867)
(Increase) Decrease in Deferred Outflows	78,409	86,251	3,920	7,841	176,421
Increase (Decrease) in Accrued Payroll and Benefits	(20,425)	(16,281)	(2,983)	(5,207)	(44,896)
Increase (Decrease) in Accounts Payable	91,215	8,573	(180)	2,855	102,463
Increase (Decrease) in Customer Deposits	-	-	-	-	-
Increase (Decrease) in Compensated Absences	1,474	(166)	(83)	1,293	2,518
Increase (Decrease) in Net Pension Liability	(28,411)	(31,252)	(1,420)	(2,841)	(63,924)
Increase (Decrease) in Deferred Inflows	7,692	8,461	385	769	17,307
Net Cash Provided by Operating Activities	$ 1,098,850	$ 1,735,502	$ 34,113	$ 19,009	$ 2,887,474

The accompanying notes are an integral part of the financial statements.

City of Emmett, Idaho
Statement of Fiduciary Net Position
- Fiduciary Funds
September 30, 2024

	Late Comers Trust	Development Engineering	Total Private Purpose Trust Funds
Assets			
Cash	$ 95,675	$ 6,360	$ 102,035
	95,675	6,360	102,035
Liabilities			
Accounts Payable	95,675	-	95,675
Net Position			
Net Position Held in Trust	$ -	$ 6,360	$ 6,360

The accompanying notes are an integral part of the financial statements.

City of Emmett, Idaho
Statement of Changes in Fiduciary Net Position
- Fiduciary Funds
For the Year Ended September 30, 2024

	Late Comers Trust	Development Engineering	Total Private Purpose Trust Funds
Additions			
Fees Held in Trust	$ 95,675	$ 10,363	$ 106,038
Total Additions	95,675	10,363	106,038
Deductions	95,675	12,571	108,246
Total Deductions	95,675	12,571	108,246
Change in Net Position	-	(2,208)	(2,208)
Net Position - Beginning	-	8,568	8,568
Net Position - Ending	$ -	$ 6,360	$ 6,360

The accompanying notes are an integral part of the financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The accompanying financial statements present the activities of City of Emmett, Idaho (the City), which has responsibility and control over all activities related to public safety, roads and streets, library, and water and sewer services within the City. The City receives funding from local, state, and federal government sources and must comply with all of the requirements of these funding source entities. However, the City is not included in any other governmental reporting entity as defined by generally accepted accounting principles. Board members are elected by the public and have decision-making authority, the power to designate management, the ability to significantly influence operations, and the primary accountability for fiscal matters. In addition, the City's reporting entity does not contain any component units as defined by the Governmental Accounting Standards Board.

B. Basis of Presentation, Basis of Accounting

Basis of Presentation

Government-wide Statements: The Statement of Net Position and the Statement of Activities display information about the financial activities of the City, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for each activity of the business-type activities of the City and for each function of the City's governmental activities.

- Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function.
- Indirect expenses—expenses of the general government related to the administration and support of the City's programs, such as personnel and accounting (but not interest on long-term debt)—are allocated to programs based on their percentage of total primary government expenses. Interest expenses are allocated to the programs that manage the capital assets financed with long-term debt for business-type activities.

- Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes and state formula aid, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the City's funds, including fiduciary funds. Separate statements for each fund category—*governmental, proprietary, and fiduciary*—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

The City reports the following major governmental funds:

- *General fund.* This is the City's primary operating fund. It accounts for all financial resources of the City, except those required to be accounted for in another fund.
- *Roads and Streets fund.* This fund accounts for repairs and maintenance of roads and construction of new roads. Restricted revenue received in this fund is to be used for this purpose.

Proprietary fund operating revenues and expenses are related to providing water and sewer services to the residents and businesses of the City and providing services to other parts of the City government. Revenues and expenses that arise from capital and non-capital financing activities and from investing activities are presented as non-operating revenues or expenses.

The City reports the following major enterprise funds:

- *Water fund.* This fund accounts for the activities of the City's water supply system, pumping stations, and collection systems.
- *Sewer fund.* This fund accounts for the operations and collections of the City's sewer system.
- *Sanitation fund.* The City acts as an intermediary in billing and collecting revenue from the local citizens for the sanitation company.

Fiduciary Funds – The City is the trustee, or fiduciary, for the Late Comers Trust, Development Engineering, and the Downtown Improvement District, Private-Purpose Trust Funds. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the City's fiduciary activities are reported in a separate Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position.

Basis of Accounting

The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

Fund Balance Reporting in Governmental Funds

Different measurement focuses and bases of accounting are used in the government-wide Statement of Net Position and in the governmental fund Balance Sheet.

The City uses the following fund balance categories in the governmental fund financial statements:

- *Nonspendable.* Prepaid items that are permanently precluded from conversion to cash.
- *Restricted.* Balances constrained to a specific purpose by enabling legislation, external parties, or constitutional provisions.
- *Committed.* Balances constrained to specific purposes determined by a formal action by the City Council, the City's highest level of decision-making authority.
- *Assigned.* Balances the City intends to use for specific purposes. The City Council has authority to assign fund balance by any action lesser than an ordinance as a function of its position as governing body.
- *Unassigned.* Balances available for any purpose.

Under the terms of grant agreements, the City funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position/fund balance available to finance the program. When both restricted and unrestricted resources are available for use, it is the government's intent to use restricted resources first, then unrestricted resources as they are needed.

There is also no formal policy regarding the use of committed, assigned, or unassigned fund balances. However, it is the City's intent that when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used, the City considers committed amounts to be reduced first, followed by assigned amounts, and then unassigned amounts.

The fund balance in the nonmajor governmental funds are restricted by outside donors and grants for enrichment of the City's Art Commission Fund, Library Fund, and other funds have been restricted for use towards intent of the restriction.

C. Assets and Liabilities

Cash Equivalents

The City requires all cash belonging to the City to be placed in custody of the Clerk. A "Pooled Cash" concept is therefore used in maintaining the cash and investment accounts in the accounting records. Under this method, cash is pooled for investment purposes and each fund has equity in the pooled amount. All cash and investment accounts with an original maturity of three months or less and all monies invested in the local government investment pool are considered to be cash and cash equivalents. See Note 2.

Receivables

All trade and property tax receivables are shown net of an allowance for uncollectible accounts.

Property Tax Calendar

The City receives property tax revenue from Gem County. The county is responsible for property valuation and collection of tax levies. The taxes that have not been remitted to the City by the county as of September 30, 2024, are considered by the City as a receivable.

Taxes not collected within 60 days after September 30, 2024, are not considered available for use by the City and are recorded as unearned revenue in the fund financial statements.

The City levies its real property taxes through the county in September of each year based upon the assessed valuation as of the previous July 1. Property taxes are due in two installments on December 20 and June 20 and are considered delinquent on January 1 and July 1, at which time the property is subject to lien.

Capital Assets

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

Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the government-wide statements and proprietary funds are shown below:

	Capitalization Policy	Depreciation Method	Estimated Useful Life
Buildings and Improvements	$5,000	Straight-Line	15 – 66 Years
Equipment and Vehicles	$5,000	Straight-Line	5 – 25 Years

General infrastructure assets acquired prior to October, 2003, are not reported in the basic financial statements. General infrastructure assets include all roads and bridges and other infrastructure assets acquired subsequent to October 1, 2003.

Depreciation is used to allocate the actual or estimated historical cost of all capital assets over their estimated useful lives.

Bond Issuance Costs, Premiums/Discounts, Deferred Losses on Refunding

In the government-wide financial statements and in the proprietary funds in the fund financial statements, long-term debt, and other long-term obligations are reported as assets or liabilities. Bond premiums and discounts, deferred losses on refunding, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount and deferred loss on refunding. Unamortized bond issuance costs are reported as intangible assets and amortized over the term of the related debt.

Restricted Assets – Proprietary Funds

Certain proceeds and resources are set aside and classified as restricted assets on the balance sheet because their use is limited by city ordinance and by the City Council. In the Water fund, the bond and interest redemption accounts are used to report resources set aside to be used for payment of bond principal and interest. It also includes the bond reserve account, which is used to report resources set aside to be used for payment of bond principal and interest, if amounts are not

sufficient for such purposes in the bond and interest redemption account. Also, in the Water fund, the customer deposit account is used to report resources received from users of the utility system. These deposits are to be returned to the customer when leaving the system, provided all utility bills are paid current.

Pensions

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

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.

2. CASH AND INVESTMENTS

Deposits

As of September 30, 2024, the carrying amount of the City's deposits was $277,253 and the respective bank balances totaled $619,015. $619,015 of the total bank balance was insured or collateralized with pooled securities held by the pledging institution in the name of the City.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned. As of September 30, 2024, $0 of the City's deposits were not covered by federal depository insurance or by collateral held by the City's agent or pledging financial institution's trust department or agent in the name of the City, and thus were exposed to custodial credit risk. The City also keeps $155 of cash on hand. The City does not have a formal policy limiting its exposure to custodial credit risk.

Custodial Credit Risk – Investments

Custodial credit risk is the risk that an issuer or other counter party to an investment will not fulfill its obligations. The City does not have a formal policy limiting its custodial credit risk for investments.

Interest Rate Risk

The City does not have a formal policy limiting investment maturities that would help manage its exposure to fair value losses from increasing interest rates.

Investments

The City voluntarily participates in the State of Idaho Investment Pool, which was not rated. The pool is not registered with the Securities and Exchange Commission or any other regulatory body. Oversight of the pool is with the State Treasurer, and Idaho Code defines allowable investments. The fair value of the City's investment in the pool is the same as the value of the pool shares.

The City carries certificates of deposit at original cost plus any accrued interest.

The City follows Idaho Statute that outlines qualifying investment options as follows:

> Idaho Code authorizes the City to invest any available funds in obligations issued or guaranteed by the United States Treasury, the State of Idaho, local Idaho municipalities and taxing districts, the Farm Credit System, or Idaho public corporations, as well as time deposit accounts and repurchase agreements.

The City's investments at September 30, 2024, are summarized below:

		Investment Maturities (in Years)	
Investment Type	Fair Value	Less than 1	1-5
Certificates of Deposit	$ 46,986	$ 46,986	$ -
External Investment Pool	21,829,344	21,829,344	-
	$ 21,876,330	$ 21,876,330	$ -

At year-end, the deposits and investments were reported in the basic financial statements in the following categories:

	Activities	Activities	Funds	Total
Cash and cash equivalents	$ (222,834)	$ 402,207	$ 98,035	$ 277,408
Restricted Investments	-	56,104	-	56,104
Certificates of Deposit	46,986			
Investments categorized as cash	7,480,402	14,288,838	4,000	21,773,240
	$ 7,304,554	$14,747,149	$102,035	$22,106,752

3. ALLOWANCE FOR DOUBTFUL ACCOUNTS

All trade and property tax receivables are shown net of an allowance for uncollectible accounts. Allowance for uncollectible accounts is valued at zero.

4. DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units include state revenue sharing of $244,447.

5. CAPITAL ASSETS

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

	Balance 9/30/2023	Adjustments	Additions	Disposals	Balance 9/30/2024
Governmental Activities:					
Capital Assets Not Being Depreciated:					
Land	$ 239,742	$ -	$ -	$ -	$ 239,742
Construction In Progress	77,660	-	-	(57,660)	20,000
Total Nondepreciable Assets	317,402	-	-	(57,660)	259,742
Capital Assets Being Depreciated:					
Buildings	1,367,662	-	44,464	-	1,412,126
Equipment	2,621,697	38,000	287,393	(44,000)	2,903,090
Improvements	3,965,889	-	188,281	-	4,154,170
Total Historical Cost	7,993,248	38,000	520,138	(44,000)	8,469,386
Less: Accumulated Depreciation					
Buildings	935,519	-	29,709	-	965,228
Equipment	2,318,650	37,973	123,163	(44,000)	2,435,786
Improvements	2,178,580	-	170,394	-	2,348,974
Total Acc. Depr.	5,470,722	37,973	323,266	(44,000)	5,749,988
Net Depreciable Assets	2,522,526	27	196,872	-	2,719,398
Governmental Activities Capital Assets - Net	$ 2,839,928	$ 27	$ 196,872	$ (57,660)	$ 2,979,140

	Balance 9/30/2023	Adjustments	Additions	Disposals	Balance 9/30/2024
Business-type Activities:					
Capital Assets Not Being Depreciated:					
Land	$ 579,674	$ -	$ -	$ -	$ 579,674
Total Nondepreciable Assets	579,674	-	-	-	579,674
Capital Assets Being Depreciated:					
Buildings	1,063,290	-	13,359	-	1,076,649
Equipment	1,846,437	18,000	209,051	(259,162)	1,814,326
Improvements	32,129,046	-	-	-	32,129,046
Total Depreciable Assets	35,038,773	18,000	222,410	(259,162)	35,020,021
Less: Accumulated Depreciation					
Buildings	970,291	-	17,623	-	987,914
Equipment	1,330,338	18,000	124,781	(257,729)	1,215,390
Improvements	17,561,122	-	1,118,248	-	18,679,370
Total Acc. Depr.	19,861,751	18,000	1,260,652	(257,729)	20,882,674
Net Depreciable Assets	15,177,022	-	(1,038,242)	(1,433)	14,137,347
Business-type Activities - Net	$15,756,696	$ -	$(1,038,242)	$ (1,433)	$14,717,021

Depreciation expense was charged to the functions of the City as follows:

Governmental Activities:	
General Government	$ 133,673
Road and Streets	121,099
Library	8,006
Public Safety	60,488
	$ 323,266
Business-type Activities:	
Water	$ 314,626
Sewer	939,792
Cemetery	5,458
Internet Utility	776
	$1,260,652

6. PENSION PLAN

Plan Description

The City of Emmett, Idaho 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 and earnings from investments. Contribution rates are determined by the PERSI Board within limitations, as defined by state law. The Board may make periodic changes to employer and employee contribution rates (expressed as percentages of annual covered payroll) if current rates are actuarially determined to be inadequate or in excess to accumulate sufficient assets to pay benefits when due.

The contribution rates for employees are set by 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 police and firefighters. The City of Emmett, Idaho's contributions were $320,604 the year ended September 30, 2024.

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

At September 30, 2024, the City of Emmett, Idaho 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 of Emmett, Idaho's proportion of the net pension liability was based on the City of Emmett, Idaho's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. June 30, 2024, the City of Emmett, Idaho's proportion was 0.0566398 percent.

For the year ended September 30, 2024, the City of Emmett, Idaho recognized pension expense/ (revenue) of $609,056 . At September 30, 2024, the City of Emmett, Idaho 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.	$ 337,316	$ -
Changes in assumptions or other inputs.	83,932	-
Net difference between projected and actual earnings on pension plan investments.	-	38,456
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions.	-	-
City of Emmett, Idaho's contributions subsequent to the measurement date.	90,208	-
Total	$ 511,455	$ 38,459

$90,208 reported as deferred outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2024.

The average of the expected remaining service lives of all employees that are provided with pensions through the System (active and inactive employees) determined at July 1, 2024, the beginning of the measurement period ended June 30, 2023, is 4.6 and 4.6 for the measurement period June 30, 2024.

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

For the Year Ended September 30:	PERSI
2025	$ 194,778
2026	395,036
2027	(68,123)
2028	(48,695)

Actuarial Assumptions

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

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

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

Contributing Members, Service Retirement Members, and Beneficiaries
General Employees and All Beneficiaries – Males Pub-2010 General Tables, increased 11%
General Employees and All Beneficiaries – Females Pub-20210 Genera Tables, increased 21%
Teachers – Males Pub-2010 Teacher Tables, increased 12%
Teachers – Females Pub-2010 Teacher Tables, increased 21%
Fire & Police – Males Pub-2010 Safety Tables, increased 21%
Fire & Police – Females Pub-2010 Safety Tables, increased 26%
Disabled Members – Males Pub-2010 Disabled Tables, increased 38%
Disabled Members – Females Pub-2010 Disabled Tables, increased 36%

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

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

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

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

Asset Class	
Fixed Income	30.0%
US/Global Equity	55.0%
International Equity	15.0%
Cash	0.0%
Total	100.0%

Discount Rate

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

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

The following presents the Employer's proportionate share of the net pension liability calculated using the discount rate of 6.35 percent, as well as what the Employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.35 percent) or 1-percentage-point higher (7.35 percent) than the current rate:

	1% Decrease (5.35%)	Current Discount Rate (6.35%)	1% Increase (7.35%)
Employer's proportionate share of the net pension liability (asset)	$ 4,026,178	$ 2,118,695	$ 560,765

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.

7. RISK MANAGEMENT

The City is exposed to a considerable number of risks of loss including, but not limited to, a) damage to and loss of property and contents, b) employee torts, c) professional liabilities, i.e., errors and omissions, d) environmental damage, e) worker's compensation, i.e., employee injuries, and f) medical insurance costs of its employees. Commercial insurance policies are purchased to transfer the risk of loss for property and content damage, employee torts, and professional liabilities.

8. COMPENSATED ABSENCES

Vacation leave is granted to all regular City employees. In the event of termination, an employee is reimbursed for accumulated vacation leave. The City awards all vacation leave to employees on October 1st and requires all employees to use vacation time within one year of the day it accrues, or it is lost. However, compensated time is also awarded for overtime worked. This time can be accumulated and carried over to subsequent years. Changes in compensated absences for the year ended September 30, 2024, are as follows:

	9/30/2023	Earned	Used	9/30/2024	Current
Governmental Activities	$ 28,542	$ 28,432	$ (28,542)	$ 28,432	$ 28,432
Business-type Activities	22,538	25,056	(22,538)	25,056	25,056
Total	$ 51,080	$ 53,488	$ (51,080)	$ 53,488	$ 53,488

9. OTHER COMMITMENTS

The City has credit cards with a total credit limit of $75,000 . As of September 30, 2024, $22,872 of the available credit was in use.

10. LONG-TERM OBLIGATIONS

Bonds have been issued to provide funds for water and sewer projects. Interest incurred and expensed for the business-type activities for the period totaled $159,708.

The City leases vehicles under long-term lease agreements. Certain leases have been recorded as municipal leases.

Interest incurred and expensed for governmental activities for the period totaled $0.

None of this interest was capitalized.

Changes in long-term obligations for the year ended September 30, 2024, are as follows:

Description	Maturity	Rate	Required Reserve	9/30/23	Increase	Decrease	9/30/24	Current Portion
Governmental Activities:								
Police Vehicles	2029	3.1%	None	$ -	$ 203,452	$ (32,432)	$ 171,020	$ 45,063

Description	Maturity	Rate	Required Reserve	9/30/23	Increase	Decrease	9/30/24	Current Portion
Business-type Activities:								
Bond 2020A	2038	2.0%	None	$ 1,595,000	$ -	$ (80,000)	$ 1,515,000	$ 80,000
Bond 2020B	2038	2.0%	None	7,695,000	-	(380,000)	7,315,000	400,000
				9,290,000	-	(460,000)	8,830,000	480,000
Unamort. Bond Premium				1,078,287	-	(71,887)	1,006,400	71,885
				$ 10,368,287	$ -	$ (531,887)	$ 9,836,400	$ 551,885

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

Year Ending	Business-type Activities Bonds and Notes		Governmental Activities Police Vehicles	
September 30,	Principal	Interest	Principal	Interest
2025	$ 480,000	$ 297,217	$ 45,063	$ 5,370
2026	505,000	274,017	28,478	3,955
2027	530,000	249,617	29,372	3,061
2028	555,000	224,017	30,294	2,139
2029	585,000	197,167	37,813	1,187
2030 - 2034	3,260,000	637,987	-	-
2035 - 2039	2,915,000	201,164	-	-
	$ 8,830,000	$ 2,081,186	$ 171,020	$ 15,712

11. TRANSFERS

The following transfers were made between funds during the year.

$ 20,000	From the Sanitation fund to the Roads and Streets fund to reimburse road for usage and repairs.
29,593	From the Water Fund to the General Fund to reimburse expenses.
12,430	From the Sewer Fund to the General Fund to reimburse expenses.
$ 62,023	

12. DEFICIENT FUND BALANCES

The Art Commission fund had a deficit fund balance of $130 as of September 30, 2024.

13. ASSIGNED AND COMMITTED FUND BALANCE

The City had the following assigned and committed fund balances as of September 30, 2024:

Committed Funds

Fund	Amount	Purpose
General Fund	$ 1,837,365	Committed to future infrastructure projects
Road and Streets	723,394	Committed to future infrastructure projects
Library	239,653	Committed to future infrastructure projects
Total Committed Funds	$ 2,800,412	

Assigned Funds

Fund	Amount	Purpose
General Fund	$ 2,000,000	Funds set aside to cover 12 months of operating if there is an emergency

14. RESTATEMENT

In the prior year, accrued payroll was understated in the Governmental Funds and Business-Type funds. This caused Net Position and Fund balance to be overstate. Net Position and Fund Balance was restated as follows:

	Governmental Activities
Net Position, Beginning - As Previously Stated	$ 8,328,986
Decrease due to understatement of Municipal Leases	(17,452)
Net Position, Beginning - Restated	$ 8,311,534

REQUIRED SUPPLEMENTARY INFORMATION

City of Emmett, Idaho
Budgetary (GAAP Basis) Comparison Schedule
General Fund
For the Year Ended September 30, 2024

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues				
Property Taxes	$ 1,831,751	$ 1,831,751	$ 1,904,846	$ 73,095
Licenses and Permits	101,000	101,000	285,888	184,888
Intergovernmental	1,233,714	1,233,714	1,428,889	195,175
Interest Earned	50,000	50,000	213,802	163,802
Other	55,200	55,200	109,369	54,169
Total Revenues	3,271,665	3,271,665	3,942,794	671,129
Expenditures				
Current:				
Salaries and Benefits	2,459,176	2,459,176	2,351,181	107,995
Contractor Services	18,300	18,300	13,952	4,348
Maintenance and Operations	828,712	828,712	958,522	(129,810)
Debt Service:				
Principal	-	-	23,671	(23,671)
Interest	-	-	4,386	(4,386)
Capital Outlay	142,300	142,300	194,167	(51,867)
Total Expenditures	3,448,488	3,448,488	3,545,879	(97,391)
Excess (Deficiency) of Revenues Over Expenditures	(176,823)	(176,823)	396,915	573,738
Other Financing Sources (Uses)				
Proceeds from Lease	-	-	186,000	186,000
Transfers In	42,023	42,023	42,023	-
Transfers Out	(7,500)	(7,500)	(7,500)	-
Total Other Financing Sources (Uses)	34,523	34,523	220,523	186,000
Net Change in Fund Balances	(142,300)	(142,300)	617,438	759,738
Fund Balances - Beginning	142,300	142,300	4,187,551	4,045,251
Fund Balances - Ending	$ -	$ -	$ 4,804,989	$ 4,804,989

City of Emmett, Idaho
Budgetary (GAAP Basis) Comparison Schedule
Roads and Streets Fund
For the Year Ended September 30, 2024

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues				
Property Taxes	$ 137,082	$ 137,082	$ 141,781	$ 4,699
Licenses and Permits	52,000	52,000	60,486	8,486
Highway Users Fund	595,402	595,402	831,421	236,019
Interest	20,000	20,000	54,679	34,679
Street Lights	54,000	54,000	56,411	2,411
Other	60,000	60,000	201,416	141,416
Total Revenues	918,484	918,484	1,346,194	427,710
Expenditures				
Current:				
Salaries and Benefits	210,852	210,852	179,975	30,877
Maintenance and Operations	727,632	727,632	529,624	198,008
Total Expenditures	938,484	938,484	709,599	228,885
Excess (Deficiency) of Revenues Over Expenditures	(20,000)	(20,000)	636,595	656,595
Other Financing Sources (Uses)				
Transfers In	20,000	20,000	20,000	-
Total Other Financing Sources (Uses)	20,000	20,000	20,000	-
Net Change in Fund Balances	-	-	656,595	656,595
Fund Balances - Beginning	-	-	858,576	858,576
Fund Balances - Ending	$ -	$ -	$ 1,515,171	$ 1,515,171

1. BUDGETS AND BUDGETARY ACCOUNTING

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

A. Prior to September 1, the City Clerk, Mayor, and City Council prepare a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.

B. Public hearings are conducted at the City Hall to obtain taxpayer comments.

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

D. The City is authorized to transfer budgeted amounts between departments within any fund; however, no revision can be made to increase the overall tax supported funds except when federal or state grants are approved. The City, however, must follow the same budgetary procedures as they followed when the original budget was approved. The budget for Enterprise funds may also be revised in the same manner as those situations involving federal and state grants.

E. Formal budgetary integration is employed as a management control device during the year for the General fund and Special Revenue funds.

2. EXPENDITURES IN EXCESS OF APPROPRIATIONS

The General Fund had expenditures in excess of appropriations in the amount of $97,391.

City of Emmett, Idaho
Schedule of Required Supplemental Information
Public Employees Retirement System of Idaho
Last 10 - Fiscal Years

Schedule of the City's Proportionate Share of Net Pension Liability

Year	City's proportion of the net pension liability (asset)	City's proportionate share of the net pension liability (asset)	City's covered-employee payroll	City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability
2024	0.0566398%	$ 2,118,695	$ 2,649,417	79.97%	85.54%
2023	0.0566508%	2,260,748	2,393,144	94.47%	83.09%
2022	0.0574532%	2,262,944	2,262,893	100.00%	83.09%
2021	0.0591636%	(46,726)	2,264,677	-2.06%	100.36%
2020	0.0617563%	1,434,063	2,198,825	65.22%	88.22%
2019	0.0607233%	693,140	2,069,135	33.50%	93.79%
2018	0.0626740%	924,452	2,015,242	45.87%	91.69%
2017	0.0617421%	970,480	1,917,565	50.61%	90.68%
2016	0.0703190%	1,425,474	1,998,385	71.33%	87.26%
2015	0.0669640%	881,807	1,883,912	46.81%	91.38%

Data reported is measured as of June 30, 2024.

Schedule of City Contributions

Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	City's Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2024	$ 320,604	$ 320,604	-	$ 2,649,417	12.10%
2023	287,932	287,932	-	2,393,144	12.03%
2022	272,853	272,853	-	2,262,893	12.06%
2021	273,164	273,164	-	2,264,677	12.06%
2020	265,101	265,101	-	2,198,825	12.06%
2019	239,165	239,165	-	2,069,135	11.56%
2018	230,325	230,325	-	2,015,242	11.43%
2017	219,094	219,094	-	1,917,565	11.43%
2016	228,456	228,456	-	1,998,385	11.43%
2015	215,604	215,604	-	1,883,912	11.44%

Data reported is measured as of September 30, 2024.

SUPPLEMENTAL INFORMATION

City of Emmett, Idaho
Supplemental Schedule of Revenues by Source
- Budget and Actual - General Fund
For the Year Ended September 30, 2024

	Budget	Actual	Variance
Taxes			
Property Taxes	$ 1,821,751	$ 1,895,605	$ 73,854
Penalties and Interest	10,000	9,241	(759)
	1,831,751	1,904,846	73,095
Licenses and Permits			
Beer, Wine, and Liquor Licenses	16,000	16,410	410
Bartenders' Licenses	1,500	1,360	(140)
Building Permits	76,500	261,373	184,873
Dog Licenses	5,000	3,610	(1,390)
Planning and Zoning	2,000	3,135	1,135
	101,000	285,888	184,888
Intergovernmental			
State Liquor Apportionment	135,000	156,718	21,718
Personal Property Tax Replacement	52,734	52,328	(406)
State Revenue Sharing	944,937	873,730	(71,207)
Magistrate Court	20,000	23,853	3,853
School District - Resource Officer	30,000	30,000	-
Agriculture Equip - Tax Replacement	1,043	1,043	-
Miscellaneous Police Grants	20,000	16,164	(3,836)
Park Grants	10,000	271,391	261,391
Fire Department Grants	10,000	3,662	(6,338)
Other Grant	10,000	-	(10,000)
	1,233,714	1,428,889	195,175
Other			
Airport Building Rentals	17,100	37,856	20,756
Interest Earned	50,000	213,802	163,802
Charges for Police Services	4,000	4,000	-
Proceeds from Lease	-	186,000	186,000
Other	34,100	67,513	33,413
	105,200	509,171	403,971
Total Revenue	$ 3,271,665	$ 4,128,794	$ 857,129

City of Emmett, Idaho
Supplemental Schedule of Expenditures by Object of Expenditure
- Budget and Actual - General Fund
For the Year Ended September 30, 2024

	Budget	Actual	Variance
Council			
Salaries	$ 54,000	$ 53,868	$ 132
Benefits	33,918	25,610	8,308
Travel and Meetings	700	-	700
	88,618	79,478	9,140
Executive			
Mayor Salary	27,000	27,033	(33)
Benefits	10,660	4,304	6,356
Office Supplies	1,400	1,495	(95)
	39,060	32,832	6,228
City Clerk and Treasurer			
Salaries	84,050	87,905	(3,855)
Benefits	25,227	24,951	276
Office Supplies	7,550	5,031	2,519
Auditing	15,500	10,500	5,000
Publications	2,500	794	1,706
Insurance - Tort	2,000	2,116	(116)
Dues and Subscriptions	20,000	19,330	670
Education and Training	2,500	1,769	731
Telephone and Utilities	4,096	3,955	141
Maintenance and Repair	13,000	7,395	5,605
Miscellaneous	8,500	6,149	2,351
Equipment	5,500	2,944	2,556
	190,423	172,839	17,584
City Attorney			
Prosecution	82,925	82,925	-
	82,925	82,925	-
Planning and Zoning			
Salaries	36,500	35,756	744
Benefits	29,473	24,080	5,393
Mapping and Surveys	3,000	717	2,283
Education and Training	1,000	128	872
Office Supplies	1,000	533	467
Other	500	3	497
	71,473	61,217	10,256

City of Emmett, Idaho
Supplemental Schedule of Expenditures by Object of Expenditure
- Budget and Actual - General Fund (continued)
For the Year Ended September 30, 2024

	Budget	Actual	Variance
Police Department			
Salaries	$ 894,500	$ 853,871	$ 40,629
Benefits	454,510	421,075	33,435
Uniform Allowance	7,600	15,902	(8,302)
Office Supplies	2,000	4,969	(2,969)
Grant Expenditure	20,000	-	20,000
Fuel	38,000	29,621	8,379
Animal Control	12,300	10,406	1,894
Dues and Subscriptions	20,000	13,010	6,990
Education and Training	9,000	10,008	(1,008)
Drug Testing	2,400	2,874	(474)
Telephone	14,000	20,715	(6,715)
Utilities	3,000	2,507	493
Dispatch	39,460	39,460	-
Maintenance	21,500	35,169	(13,669)
Insurance	21,000	24,338	(3,338)
Miscellaneous	21,450	23,344	(1,894)
Equipment	30,000	19,731	10,269
	1,610,720	1,527,000	83,720
Fire Department			
Salaries	194,200	186,889	7,311
Benefits	67,825	71,961	(4,136)
Dispatch	1,000	946	54
Fuel	6,000	4,916	1,084
Dues and Subscriptions	7,000	3,867	3,133
Education and Training	6,000	7,922	(1,922)
Telephone and Communications	3,000	3,602	(602)
Utilities	5,100	4,402	698
Maintenance	22,500	34,947	(12,447)
Drug Testing	500	215	285
Office Supplies	1,700	1,011	689
Insurance	5,000	5,291	(291)
Equipment	32,000	15,494	16,506
Miscellaneous	1,000	493	507
	352,825	341,956	10,869

City of Emmett, Idaho
Supplemental Schedule of Expenditures by Object of Expenditure
- Budget and Actual - General Fund (continued)
For the Year Ended September 30, 2024

	Budget	Actual	Variance
Building Inspection			
Salaries	$ 89,600	$ 88,564	$ 1,036
Benefits	40,471	40,835	(364)
Supplies	700	177	523
Fuel	4,000	1,330	2,670
Telephone	1,000	1,100	(100)
Meetings	1,000	365	635
Maintenance	5,500	745	4,755
Miscellaneous	13,900	10,317	3,583
	156,171	143,433	12,738
Code Enforcement			
	-	-	-
Airport Maintenance			
Benefits	10,300	1,247	9,053
Maintenance	19,981	5,718	14,263
	30,281	6,965	23,316
Parks Department			
Salaries	85,500	80,849	4,651
Benefits	50,100	37,582	12,518
Uniform Allowance	500	163	337
Fuel	3,500	1,289	2,211
Education and Training	500	-	500
Utilities	15,000	14,009	991
Drug Testing	100	-	100
Maintenance	43,600	74,941	(31,341)
Miscellaneous	3,350	2,453	897
	202,150	211,286	(9,136)
IT Department			
Salaries	216,900	214,082	2,818
Benefits	99,942	95,817	4,125
Equipment	42,000	41,827	173
Miscellaneous	58,000	62,782	(4,782)
	416,842	414,508	2,334
Capital Outlay	207,000	471,440	(264,440)
Total Expenditures	$ 3,448,488	$ 3,545,879	$ (97,391)

City of Emmett, Idaho
Combining Balance Sheet -
Nonmajor Governmental Funds
September 30, 2024

	Library	Art Commission	American Rescue Plan Act	Total
Assets				
Cash and Cash Equivalents	$ 247,760	$ -	$ 878,151	$ 1,125,911
Certificates of Deposit	46,986	-	-	46,986
Taxes Receivable	6,978	-	-	6,978
Total Assets	$ 301,724	$ -	$ 878,151	$ 1,179,875
Liabilities, Deferred Inflows, and Fund Balances				
Liabilities				
Accounts Payable	$ 415	$ 130	$ -	$ 545
Wages Payable	4,530	-	-	4,530
Total Liabilities	4,945	130	-	5,075
Deferred Inflows				
Unearned Revenue - Property Tax	6,150	-	-	6,150
Total Liabilities	6,150	-	-	6,150
Fund Balances				
Restricted	50,976	-	878,151	929,127
Committed	239,653	-	-	239,653
Unassigned	-	(130)	-	(130)
Total Fund Balances	290,629	(130)	878,151	1,168,650
Total Liabilities, Deferred Inflows, and Fund Balances	$ 301,724	$ -	$ 878,151	$ 1,179,875

City of Emmett, Idaho
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances – Nonmajor Governmental Funds
For the Year Ended September 30, 2024

	Library	Art Commission	American Rescue Plan Act	Total
Revenues				
Property Taxes	$ 228,905	$ -	$ -	$ 228,905
Intergovernmental	74,022	-	48,177	122,199
Other	62,317	-	-	62,317
Total Revenues	365,244	-	48,177	413,421
Expenditures				
Salaries and Benefits	165,710	-	-	165,710
Contractor Services	35,277	-	-	35,277
Grant Expense	-	-	94,738	94,738
Miscellaneous	118,809	-	-	118,809
Total Expenditures	319,796	-	94,738	414,534
Excess (Deficiency) of Revenues Over Expenditures	45,448	-	(46,561)	(1,113)
Other Financing Sources (Uses)				
Transfers In	7,500	-	-	7,500
Total Other Financing Sources (Uses)	7,500	-	-	7,500
Net Change in Fund Balances	52,948	-	(46,561)	6,387
Fund Balances - Beginning	237,681	(130)	924,712	1,162,263
Fund Balances - Ending	$ 290,629	$ (130)	$ 878,151	$ 1,168,650

City of Emmett, Idaho
Combining Statement of Net Position -
Nonmajor Proprietary Funds
September 30, 2024

	Perpetual Care	Cemetery	Internet Utility	Total
Assets				
Current Assets				
Cash and Cash Equivalents	$ 119,195	$ 153,215	$ 171,752	$ 444,162
Accounts Receivable, Net	-	-	205	205
Property Taxes Receivable, Net	-	1,394	-	1,394
Prepaid Items	-	904	-	904
Total Current Assets	119,195	155,513	171,957	446,665
Long-Term Assets				
Capital Assets				
Land	-	10,000	-	10,000
Buildings, Net	-	29,689	-	29,689
Equipment, Net	-	3,367	2,847	6,214
Improvements, Net	-	9,669	-	9,669
Total Long-Term Assets	-	52,725	2,847	55,572
Total Assets	119,195	208,238	174,804	502,237
Deferred Outflows				
Pension Related Items	-	10,229	-	10,229
Total Deferred Outflows	-	10,229	-	10,229
Liabilities				
Current Liabilities				
Wages Payable	-	1,547	-	1,547
Accounts Payable	-	199	3,981	4,180
Compensated Absences	-	3,207	-	3,207
Total Current Liabilities	-	4,953	3,981	8,934
Long-Term Liabilities				
Net Pension Liability	-	42,374	-	42,374
Total Long-Term Liabilities	-	42,374	-	42,374
Total Liabilities	-	47,327	3,981	51,308
Deferred Inflows				
Pension Related Items	-	769	-	769
Total Deferred Inflows	-	769	-	769
Net Position				
Net Investment in Capital Assets	-	52,725	2,847	55,572
Unrestricted	119,195	117,646	167,976	404,817
Total Net Position	$ 119,195	$ 170,371	$ 170,823	$ 460,389

City of Emmett, Idaho
Combining Statement of Revenues, Expenses,
and Changes in Fund Net Position – Nonmajor Proprietary Funds
For the Year Ended September 30, 2024

	Perpetual Care	Cemetery	Internet Utility	Total
Revenues				
Property Taxes	$ -	$ 45,869	$ -	$ 45,869
Charges for Services	4,450	84,265	25,780	114,495
Miscellaneous	-	126	12,642	12,768
Total Revenues	4,450	130,260	38,422	173,132
Expenses				
Salaries and Benefits	-	107,081	-	107,081
Maintenance and Operations	-	30,946	21,334	52,280
Depreciation	-	5,458	776	6,234
Total Expenses	-	143,485	22,110	165,595
Operating Income (Loss)	4,450	(13,225)	16,312	7,537
Non-Operating Revenues (Expenses)				
Interest Earned	5,665	7,264	-	12,929
Total Non-Operating Revenues (Expenses)	5,665	7,264	-	12,929
Change in Net Position	10,115	(5,961)	16,312	20,466
Net Position - Beginning	109,080	176,332	154,511	439,923
Net Position - Ending	$ 119,195	$ 170,371	$ 170,823	$ 460,389

FEDERAL REPORTS

ZWYGART JOHN
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Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

To the Honorable Mayor and
City Council
City of Emmett, 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, each major fund, and the aggregate remaining fund information of City of Emmett, 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 and have issued our report thereon dated February 26, 2025.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. 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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Emmett, 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 disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Zwygart John & Associates, PLLC

Nampa, Idaho
February 26, 2025