CITY OF FILER, IDAHO

Report on Audited
Basic
Financial Statements
and
Supplemental Information

For the Year Ended September 30, 2024

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Independent Auditor's Report

Honorable Mayor
and City Council
City of Filer, Idaho

Report on the 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 Filer, 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 business-type activities, each major fund, and the aggregate remaining fund information of the City of Filer, Idaho, as of September 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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 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

The City's 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 Filer, Idaho's ability to continue as a going concern for one year after the date that the financial statements are issued.

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'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 information, schedule of the City's proportionate share of the net pension liability, and schedule of City contributions on pages 36 through 43 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has not presented management's discussion and analysis that governmental 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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Filer, Idaho's basic financial statements. The combining balance sheet-Nonmajor Governmental funds and the Combining Statement of Revenues, Expenditures, and changes in Fund Balances-Nonmajor funds are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining balance sheet-Nonmajor Governmental funds and the Combining Statement of Revenues, Expenditures, and changes in Fund Balances-Nonmajor funds 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 and expenditures by object 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 April 7, 2025 on our consideration of the City of Filer, Idaho's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 of Filer, Idaho's internal control over financial reporting and compliance.

Zwygart John & Associates, CPAs PLLC

Nampa, Idaho
April 7, 2025

BASIC FINANCIAL STATEMENTS

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

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Current Assets:			
Cash and Cash Equivalents	$ 5,463,455	$ 3,389,489	$ 8,852,944
Property Taxes Receivable, Net	32,417	-	32,417
Interest Receivable	31,337	-	31,337
Accounts Receivable, Net	4,568	143,253	147,821
Due from Other Governments	89,688	-	89,688
Prepaid Items	8,547	-	8,547
Total Current Assets	5,630,012	3,532,742	9,162,754
Noncurrent Assets:			
Restricted Cash	-	718,927	718,927
Capital Assets:			
Land and Construction in Progress	235,548	7,046,849	7,282,397
Buildings and Improvements	217,158	-	217,158
Equipment	905,054	257,994	1,163,048
Vehicles	195,425	-	195,425
Roads	4,895,895	-	4,895,895
Infrastructure	-	20,670,855	20,670,855
Swimming Pool	97,388	-	97,388
Right of Use	223,995	-	223,995
	6,770,463	27,975,698	34,746,161
Less: Accumulated Depreciation	(5,863,848)	(5,978,321)	(11,842,169)
Total Capital Assets	906,615	21,997,377	22,903,992
Total Assets	6,536,627	26,249,046	32,785,673
Deferred Outflows			
Pension Related Items	137,348	70,756	208,104
Total Deferred Outflows	137,348	70,756	208,104
Liabilities			
Current Liabilities:			
Accounts Payable	21,910	53,579	75,489
Salaries and Benefits Payable	40,757	22,576	63,333
Customer Deposits	-	74,450	74,450
Accrued Interest Payable	-	289,360	289,360
Long-term Liabilities:			
Portion Due or Payable Within One Year:			
Municipal Lease	23,651	-	23,651
Compensated Absences	144,898	-	144,898
Current Portion of Bond	-	389,037	389,037
Portion Due or Payable After One Year:			
Bond Payable	-	10,899,059	10,899,059
Municipal Lease	151,894	-	151,894
Net Pension Liability	579,091	298,318	877,409
Total Liabilities	962,201	12,026,379	12,988,580
Deferred Inflows			
Pension Related Items	10,511	5,414	15,925
Total Deferred Inflows	10,511	5,414	15,925
Net Position			
Invested in Capital Assets, Net of Related Debt	906,615	11,098,318	12,004,933
Restricted for:			
Debt Reserve	-	718,927	718,927
Customer Deposits	-	74,450	74,450
Unrestricted (Deficit) Surplus	4,794,648	2,396,314	7,190,962
Total Net Position	$ 5,701,263	$ 14,288,009	$ 19,989,272

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

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

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
					Primary Government		
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary Government:							
Governmental Activities:							
General Government	$ 820,811	$ 168,021	$ -	$ -	$ (652,790)	$ -	$ (652,790)
Highways and Streets	512,755				(512,755)	-	(512,755)
Culture and Recreation	137,981				(137,981)	-	(137,981)
Public Safety	813,149	35,000		22,362	(755,787)	-	(755,787)
Total Governmental Activities	2,284,696	203,021	-	22,362	(2,059,313)	-	(2,059,313)
Business-type Activities:							
Water	651,315	694,136	-	63,390	-	106,211	106,211
Sewer	1,063,805	1,076,999	-	-	-	13,194	13,194
Total Business-type Activities	1,715,120	1,771,135	-	63,390	-	119,405	119,405
Total Primary Government	$ 3,999,816	$ 1,974,156	$ -	$ 85,752	(2,059,313)	119,405	(1,939,908)
General Revenues:							
Property Taxes					1,168,072	-	1,168,072
Intergovernmental					743,401	-	743,401
Other					243,095	22,885	265,980
Unrestricted Investment Earnings					326,659	254	326,913
Total General Revenues and Special Items					2,481,227	23,139	2,504,366
Change in Net Position					421,914	142,544	564,458
Net Position, Beginning of Year					5,279,349	14,145,465	19,424,814
Net Position, End of Year					$ 5,701,263	$ 14,288,009	$ 19,989,272

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

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

	General	Street	Street Lighting	State Revenue Sharing	Other Governmental Funds	Total Governmental Funds
Assets						
Cash and Cash Equivalents	$ 2,300,287	$ 1,820,684	$ 100,235	$ 537,432	$ 704,817	$ 5,463,455
Receivables, Net:						
Property Tax	18,864	5,777	3,797	-	3,979	32,417
Interest	31,337	-	-	-	-	31,337
Accounts	3,761	807	-	-	-	4,568
Due from Other Governments	26,906	-	5,381	53,813	3,588	89,688
Prepaid Items	-	-	-	8,547	-	8,547
Total Assets	2,381,155	1,827,268	109,413	599,792	712,384	5,630,012
Liabilities						
Accounts Payable	1,641	1,237	2,954	14,275	1,803	21,910
Salaries and Benefits Payable	21,875	9,368	4,829	4,685	-	40,757
Total Liabilities	23,516	10,605	7,783	18,960	1,803	62,667
Deferred Inflows						
Unavailable Revenue - Property Taxes	17,464	5,337	3,508	-	3,676	29,985
Fund Balances						
Nonspendable:						
Prepaids	-	-	-	8,547	-	8,547
Unassigned	2,340,175	1,811,326	98,122	572,285	706,905	5,528,813
Total Fund Balances	2,340,175	1,811,326	98,122	580,832	706,905	5,537,360
Total Liabilities, Deferred Inflows and Fund Balances	$ 2,381,155	$ 1,827,268	$ 109,413	$ 599,792	$ 712,384	$ 5,630,012

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

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

Total Fund Balances - Governmental Funds		$ 5,537,360
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. Those assets consist of:		
Land	$ 235,548	
Buildings	217,158	
Equipment	905,054	
Vehicles	195,425	
Roads	4,895,895	
Swimming Pool	97,388	
Right Of Use	223,995	
Depreciation/Amortization	(5,863,848)	
Total Capital Assets		906,615
Property taxes receivable will be collected this year, but are not available soon enough to pay for current period's expenditures and, therefore, are deferred in the funds.		29,985
Long-term liabilities, including compensated absences, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year end consist of:		
Compensated Absences	$ (144,898)	
Municipal Lease	(175,545)	
		(320,443)
The City participates in the Public Employer 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	$ (579,091)	
Pension Related Deferred Inflows	(10,511)	
Pension Related Deferred Outflows	137,348	
		(452,254)
Net Position of Governmental Activities		$ 5,701,263

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

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

	General	Street	Street Lighting	State Revenue Sharing	Other Governmental Funds	Total Governmental Funds
Revenues						
Property Taxes	$ 653,306	$ 216,862	$ 142,510	$ -	$ 149,327	$ 1,162,005
Licenses and Permits	20,371	-	-	-	-	20,371
Intergovernmental	138,292	374,196	16,124	202,282	12,507	743,401
Charges for Services	182,650	-	-	-	-	182,650
Interest Income	326,659	-	-	-	-	326,659
Franchise Fees	67,877	-	-	-	-	67,877
Miscellaneous	156,950	16,389	340	-	1,539	175,218
Grants	18,592	-	-	-	3,770	22,362
Total Revenues	1,564,697	607,447	158,974	202,282	167,143	2,700,543
Expenditures						
Current:						
General Government	378,841	-	-	97,843	67,853	544,537
Public Safety	729,004	-	-	47,357	55,250	831,611
Highways and Streets	-	364,026	194,981	-	-	559,007
Culture and Recreation	-	-	-	43,522	107,521	151,043
Total Expenditures	1,107,845	364,026	194,981	188,722	230,624	2,086,198
Excess (Deficiency) of Revenues Over Expenditures)	456,852	243,421	(36,007)	13,560	(63,481)	614,345
Net Change in Fund Balances	456,852	243,421	(36,007)	13,560	(63,481)	614,345
Fund Balances - Beginning	1,883,323	1,567,905	134,129	567,272	770,386	4,923,015
Fund Balances - Ending	$ 2,340,175	$ 1,811,326	$ 98,122	$ 580,832	$ 706,905	$ 5,537,360

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

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

Total Net Change in Fund Balance - Governmental Funds		$ 614,345
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. In the current period these amounts are:		
Capital Outlay	$ 59,314	
Depreciation Expense	(181,601)	
Net		(122,287)
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 deferred tax revenues. They are, however, recorded as revenues in the Statement of Activities.		6,067
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.		(34,853)
The City participates in the Public Employer 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.		(41,358)
Change in Net Position of Governmental Activities		$ 421,914

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

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

	Water	Sewer	Total
Assets			
Current Assets:			
Cash and Cash Equivalents	$ 1,628,364	$ 1,761,125	$ 3,389,489
Accounts Receivable, Net	54,575	88,678	143,253
Total Current Assets	1,682,939	1,849,803	3,532,742
Noncurrent Assets:			
Restricted Cash	355,884	363,043	718,927
Capital Assets:			
Land and Construction in Progress	5,951,867	1,094,982	7,046,849
Equipment	183,134	74,860	257,994
Infrastructure	3,541,290	17,129,565	20,670,855
	9,676,291	18,299,407	27,975,698
Less: Accumulated Depreciation	(1,939,950)	(4,038,371)	(5,978,321)
Total Capital Assets	7,736,341	14,261,036	21,997,377
Total Assets	9,775,164	16,473,882	26,249,046
Deferred Outflows			
Pension Related Items	35,378	35,378	70,756
Total Deferred Outflows	35,378	35,378	70,756
Liabilities			
Current Liabilities:			
Accounts Payable	7,029	46,550	53,579
Salaries and Benefits Payable	11,287	11,289	22,576
Deposits from Others	74,450	-	74,450
Accrued Interest Payable	134,279	155,081	289,360
Current Portion of Bonds	93,668	295,369	389,037
Total Current Liabilities	320,713	508,289	829,002
Noncurrent Liabilities:			
Bonds, Notes, and Loans Payable	3,791,434	7,107,625	10,899,059
Net Pension Liability	149,159	149,159	298,318
Total Noncurrent Liabilities	3,940,593	7,256,784	11,197,377
Total Liabilities	4,261,306	7,765,073	12,026,379
Deferred Inflows			
Pension Related Items	2,707	2,707	5,414
Total Deferred Inflows	2,707	2,707	5,414
Net Position			
Invested in Capital Assets,			
Net of Related Debt	3,851,239	6,858,042	10,709,281
Restricted - Debt Reserve	355,884	363,043	718,927
Unrestricted	1,339,406	1,520,395	2,859,801
Total Net Position	$ 5,546,529	$ 8,741,480	$ 14,288,009

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

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

	Water	Sewer	Total
Operating Revenues			
Utility Fees	$ 694,136	$ 1,076,999	$ 1,771,135
Farm Income			
Grant Revenue	63,390	18,725	82,115
Other Revenues	10	4,150	4,160
Total Operating Revenues	757,536	1,099,874	1,857,410
Operating Expenses			
Salaries	507,527	-	507,527
Administration	-	526,006	526,006
Professional Services	-	10,072	10,072
Depreciation	78,643	352,018	430,661
Total Operating Expenses	586,170	888,096	1,474,266
Income (Loss) From Operations	171,366	211,778	383,144
Nonoperating Revenues (Expenses)			
Interest Earned	254	-	254
Interest Expense	(65,145)	(175,709)	(240,854)
Total Nonoperating Revenues (Expenses)	(64,891)	(175,709)	(240,600)
Change in Net Position	106,475	36,069	142,544
Total Net Position - Beginning	5,440,054	8,705,411	14,145,465
Total Net Position - Ending	$ 5,546,529	$ 8,741,480	$ 14,288,009

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

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

	Water	Sewer	Total
Cash Flows From Operating Activities			
Receipts from Customers	$ 756,277	$ 1,098,063	$ 1,854,340
Payments to Suppliers	(19,490)	(502,978)	(522,468)
Payments to Employees	(496,214)	11,312	(484,902)
Net Cash Provided (Used) by Operating Activities	240,573	606,397	846,970
Cash Flows From Capital and Related Financing Activities			
Purchases and Construction of Capital Assets	(226,953)	-	(226,953)
Principal Paid on Capital Debt	(90,922)	(284,582)	(375,504)
Interest Paid on Capital Debt	30,255	(98,134)	(67,879)
Net Cash Used by Capital and Related Financing Activities	(287,620)	(382,716)	(670,336)
Cash Flows From Investing Activities			
Interest and Dividends	254	-	254
Net Cash Provided (Used) by Investing Activities	254	-	254
Net Increase (Decrease) in Cash and Cash Equivalents	(46,793)	223,681	176,888
Cash and Cash Equivalents - Beginning	2,031,041	1,900,487	3,931,528
Cash and Cash Equivalents - Ending	$ 1,984,248	$ 2,124,168	$ 4,108,416
Displayed As:			
Cash	$ 1,628,364	$ 1,761,125	$ 3,389,489
Restricted Cash	355,884	363,043	718,927
	$ 1,984,248	$ 2,124,168	$ 4,108,416

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

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

	Water	Sewer	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	$ 171,366	$ 211,778	$ 383,144
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:			
Depreciation	78,643	352,018	430,661
(Increase) Decrease in Accounts Receivable	(2,229)	(1,811)	(4,040)
(Increase) Decrease in Deferred Outflows	32,830	32,830	65,660
Increase (Decrease) in Accounts Payable	(19,490)	33,100	13,610
Increase (Decrease) in Customer Deposits	970	-	970
Increase (Decrease) in Salaries & Benefits Payable	661	660	1,321
Increase (Decrease) in Net Pension Liability	(24,885)	(24,885)	(49,770)
Increase (Decrease) in Deferred Inflows	2,707	2,707	5,414
Net Cash Provided (Used) by Operating Activities	$ 240,573	$ 606,397	$ 846,970

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 the City of Filer, Idaho (the City), which has responsibility and control over all activities related to public safety, water, sewer and solid waste 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. Council 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.

For financial reporting purposes, management has considered all potential component units which are controlled or whose boards are appointed by the City Council. Control by the City was determined on the basis of budget adoption, the selection of management, ability to significantly influence operations, accountability for fiscal matters, and other factors. Based on these criteria, the following entity is a component unit of the City.

- City of Filer Public Library – The governing body of the library is appointed by the City Council. Annual budgets are approved by the City.

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. 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 segment 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.

- 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. Separate statements for each fund category—*governmental and proprietary*—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. Any remaining governmental and enterprise funds would be 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.
- *Street fund.* This fund accounts for the repairs and maintenance of the roads and construction of new roads.
- *Street Lighting fund.* This fund accounts for repairs and maintenance of the road lighting within the City.
- *State Revenue Sharing.* This fund accounts for revenue sharing funds received from the State of Idaho.

Proprietary fund operating revenues and expenses are related to providing sanitation, water, and sewer services to the residents and businesses of the City of Filer, Idaho 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.

Basis of Accounting

The government-wide and proprietary 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 focus and base 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 Balance Sheet:

- *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.
- *Unassigned.* Balances available for any purpose.

The remaining fund balance classifications (committed and assigned) are either not applicable or no formal policy has yet been established to be able to utilize such classifications of fund balance. However, if there had been committed funds, these amounts would have been decided by the City Council, the City's highest level of decision-making authority, through a formal action. The City Council would also have the authority to assign funds or authorize another official to do so.

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.

C. Assets and Liabilities

Cash Equivalents

The City's cash and cash equivalents are generally considered short-term, highly liquid investments with a maturity of three months or less from the purchase date. 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 is a voluntary participant in the State of Idaho Local Government Investment Pool (LGIP). See Note 2.

Investments are stated at fair value as determined by the fair value hierarchy, except certificates of deposit (which are carried at amortized cost).

Receivables

All trade receivables are shown net of an allowance for doubtful accounts. As of September 30, 2024, there was no allowance.

Property Tax Calendar

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. 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.

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 the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Compensated Absences

The City uses the vesting method to compute compensated absences awarded to employees.

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.

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	20 – 50 Years
Equipment and Vehicles	$5,000	Straight-Line	2 – 15 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.

Leases

The City adopted GASB 87, Leases, during fiscal year 2023. This has caused long-term leases to be included on the balance sheet as right-to-use assets and a corresponding lease liability. See Note 12 for additional details about lease arrangements.

2. CASH AND INVESTMENTS

Deposits

As of September 30, 2024, the carrying amount of the City's deposits was $2,882,538 and the respective bank balances totaled $2,888,181. $1,661,752 of the bank balance was insured through the Federal Depository Insurance Corporation (FDIC).

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, $1,661,752 of the City's deposits were covered by the 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, the remaining balance of $1,226,429 was not insured and thus were exposed to credit risk. 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 does not have a credit rating. 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.

It is the City's policy to limit investments to the safest types of securities and to diversify the City's investment portfolio so that potential losses on securities will be minimized.

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:

		Maturity (In Years)	
Investment Type	Fair Value	Less Than 1	1 to 5
External Investment Pool	$ 5,675,156	$ 5,675,156	$ -
Certificates of Deposit	611,290	611,290	-
	$ 6,286,446	$ 6,286,446	$ -

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

	Governmental Activities	Business-type Activities	Total
Cash and cash equivalents	$ 2,014,587	$ 551,911	$ 2,566,498
Restricted	-	718,927	718,927
Investments categorized as cash	3,448,868	2,837,578	6,286,446
Total Cash and Cash Equivalents	$ 5,463,455	$ 4,108,416	$ 9,571,871

The City has set aside $718,927 in accordance with debt restrictions.

3. DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units consist of state revenue sharing of $89,688 due from the State of Idaho.

4. PROPERTY TAXES

The City receives tax revenue from Twin Falls 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 deferred revenue in the fund financial statements.

5. PENSION PLAN

Plan Description

The City of Filer, 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) 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 of Filer, Idaho's contributions were $133,906 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 Filer, Idaho reported a liability/(asset) 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 Filer, Idaho's proportion of the net pension liability (asset) was based on the City of Filer Idaho's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At September 30, 2024, the City of Filer, Idaho's proportion was 0.02345615 percent.

For the year ended September 30, 2024, the City of Filer recognized pension expense/(revenue) of $196,570. At September 30, 2024, the City of Filer, 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	$ 139,692	$ -
Changes in assumptions or other inputs	34,759	-
Net difference between projected and actual earnings on pension plan investments	-	15,925
City of Filer, Idaho's contributions subsequent to the measurement date	33,653	-
Total	$ 208,104	$ 15,925

$33,653 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	$ 76,958
2026	163,596
2027	(28,212)
2028	(20,163)

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 (asset) in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

Contributing Members, Service Retirement Members, and Beneficiaries

- General Employees and All Beneficiaries – Males Pub-2010 General Tables, increased 11%
- General Employees and All Beneficiaries – Females Pub-2010 General Tables, increased 21%
- Teachers – Males Pub-2010 Teacher Tables, increased 12%
- Teachers – Females Pub-2010 Teacher Tables, increased 21%
- Fire & Police - Males Pub-2010 Safety Tables, increased 21%
- Fire & Police – Females Pub-2010 Safety Tables, increased 26%
- Disabled Members – Males Pub-2010 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 including mortality. The Total Pension Liability (Asset) 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	30.00%
US/Global Equity	55.00%
International Equity	15.00%
Cash	0.00%
Total	100.00%

Discount Rate

The discount rate used to measure the total pension liability was 6.35%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate. Based on these assumptions, the pension plans' net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability (asset.) 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)	$ 1,667,355	$ 877,409	$ 232,229

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.

6. COMPENSATED ABSENCES

Vacation leave is granted to all regular City employees. In the event of termination, an employee is reimbursed for accumulated vacation leave. Changes in accumulated vacation are as follows:

	9/30/2023	Earned	Used	9/30/2024	Current
Governmental Activities	$ 110,045	$ 117,938	$ (83,085)	$ 144,898	$ 144,898

7. CAPITAL ASSETS

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

	9/30/2023	Additions	Disposals	9/30/2024
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	$ 235,548	$ -	$ -	$ 235,548
Total	235,548	-	-	235,548
Capital Assets Being Depreciated:				
Buildings & Improvements	217,158	-	-	217,158
Fire Equipment	-	-	-	-
Equipment	845,740	59,314	-	905,054
Vehicles	195,425	-	-	195,425
Roads	4,895,895	-	-	4,895,895
Swimming Pool	97,388	-	-	97,388
Total Historical Cost	6,251,606	59,314	-	6,310,920
Less: Accumulated Depreciation				
Buildings & Improvements	176,790	3,705	-	180,495
Fire Equipment	-	-	-	-
Equipment	436,453	53,057	-	489,510
Vehicles	151,105	6,605	-	157,710
Roads	4,772,061	118,234	-	4,890,295
Swimming Pool	97,388	-	-	97,388
Total Accumulated Depreciation	5,633,797	181,601	-	5,815,398
Net Depreciable Assets	617,809	(122,287)	-	495,522
Governmental Activities - Net	$ 853,357	$ (122,287)	$ -	$ 731,070

Business-type Activities:				
Capital Assets Not Being Depreciated:				
Land	$ 667,039	$ -	$ -	$ 667,039
Construction in Progress	6,152,857	226,953	-	6,379,810
Total	6,819,896	226,953	-	7,046,849
Capital Assets Being Depreciated:				
Water System	3,541,290	-	-	3,541,290
Sewer Plant	17,129,565	-	-	17,129,565
Equipment	257,994	-	-	257,994
Total Historical Cost	20,928,849	-	-	20,928,849
Less: Accumulated Depreciation				
Accumulated Depreciation	5,547,660	430,661	-	5,978,321
Total Accumulated Depreciation	5,547,660	430,661	-	5,978,321
Net Depreciable Assets	15,381,189	(430,661)	-	14,950,528
Business-type Activities - Net	$ 22,201,085	$ (203,708)	$ -	$ 21,997,377

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

Governmental Activites:	
General	$ 181,601
Business-type Activites	
Water & Sewer	$ 430,661

All assets that were constructed using the bond funds were completed in prior years, so no interest has been capitalized in the enterprise funds.

8. 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, medical insurance costs, and professional liabilities.

9. OTHER COMMITMENTS

The City has credit cards with a total credit limit of $42,000. At September 30, 2024, $4,879 of the available credit was in use.

10. LONG-TERM LIABILITIES

Business-type Activities – IDEQ SRF Waste Water Revolving Note Payable

In August 2008 the City opened a revolving development account to finance a waste water treatment plant. Payments are to be made biannually over a 30-year period, with an interest rate of 3.50% per annum, starting at the date of the project completion.

DEQ SRF Note Reserve Requirements

The note covenant requires the City to establish a dedicated reserve account at the date of the project completion. The minimum reserve should have an account equal to one year's payment of principal, fees and interest on the loan established. The City has ten years to establish the reserve, setting aside ten percent of the one year's payment into a reserve fund each year. The reserve shall remain in effect throughout the term of the contract.

Business-type Activities – Water Revenue Bonds USDA 91-02

On September 24, 2003, the Water Revenue Bond Series 2003 was issued in the amount of $1,200,000 bearing interest of 4.45% per annum and is payable to the USDA Rural Development. The bonds are due in equal annual installments of $71,520 including interest.

Business-type Activities – Sewer Revenue Bonds USDA 92-05

In 2012 the City entered into a note agreement with USDA to finance their sewer project. The beginning principal was $3,000,000 with annual payments of $153,060 including interest at 3.00% until December of 2041.

Business-type Activities – Sewer Revenue Bonds USDA 92-07

In 2012 the City entered into a note agreement with USDA to finance their sewer project. The beginning principal was $1,465,000 with annual payments of $74,745 including interest at 3.00% until December 2041.

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

Description	Maturity	Rate	Required Reserve	9/30/2023	Increase	Decrease	9/30/2024	Current Portion
Water Revenue Bond - 91-02	2030	4.25%	$ -	$ 423,040	$ -	$ (53,541)	$ 369,499	$ 55,822
IDEQ-SRF-Sewer	2042	3.25%	309,771	4,424,651	-	(154,664)	4,269,987	161,555
Sewer Revenue Bond - 92-05	4021	3.00%	-	2,192,341	-	(87,290)	2,105,051	89,908
Sewer Revenue Bond - 92-07	2041	3.00%	-	1,070,584	-	(42,628)	1,027,956	43,906
Water Revenue Bond - 91-10	2061	1.25%	-	1,862,888	-	(37,381)	1,825,507	37,846
DEQ DW1703			-	1,690,096	-	-	1,690,096	-
			$ 309,771	$ 11,663,600	$ -	$ (375,504)	$ 11,288,096	$ 389,037

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

Year Ending September 30,	Business-type Activities Bonds and Notes Principal	Interest
2025	$ 389,037	$ 280,726
2026	401,606	268,157
2027	414,603	255,160
2028	428,043	241,720
2029	1,252,391	656,456
2030 - 2034	2,280,595	778,950
2035 - 2039	2,582,173	407,397
2040 - 2044	877,958	108,793
2045 - 2049	248,739	54,596
2050 - 2054	264,679	38,656
2055 - 2059	281,640	21,695
2060 - 2063	1,866,632	4,426
	$ 11,288,096	$ 3,116,732

Total interest incurred and expenses was $65,145 and $175,709 for the water and sewer funds respectively. No interest was capitalized during the period.

11. TAX ABATEMENTS

Twin Falls County entered in to a property tax abatement with local businesses under Idaho Code 63-602NN.

For the year ended September 30, 2024 Twin Falls County Commissioners abated $139,408 of property taxes from certain business tax levy, which they were not required to pay.

12. LEASES

The City leases multiple vehicles on a 5-year lease. The lease is reported on the balance sheet as a Right-of-Use Asset with a corresponding operating lease payable. The amortization of the right of use asset is reported on the balance sheet as well.

The City has elected to follow certain practical expedients in implementing new lease standards. These include not reassessing existing contracts or leases to determine if they should be reclassified as operating or financing leases. This also includes not reassessing any initial direct costs for existing leases. They also elected to use hindsight to determine the lease term of all leases, based on possible extensions of leases.

The Right-of-Use Asset was reported on the balance sheet as:

	Original Cost	Amortization	Net Value
Vehicles	$ 223,995	$ (48,450)	$ 175,545

Future minimum lease payments are due as follows:

Year Ended June 30,	Payment
2025	$ 29,988
2026	29,988
2027	131,988
Total Lease Payment	191,964
Less:Imputed Interest	(16,419)
Total Lease Liability	$ 175,545

REQUIRED SUPPLEMENTARY INFORMATION

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

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues				
Property Taxes	$ 687,240	$ 687,240	$ 653,306	$ (33,934)
Sales Tax	167,048	167,048	107,492	(59,556)
Licenses and Permits	62,000	62,000	20,371	(41,629)
Magistrate Court	10,000	10,000	12,529	2,529
Liquor Tax	29,000	29,000	30,800	1,800
Franchise Tax	57,000	57,000	67,877	10,877
Sanitation	170,000	170,000	170,121	121
Grants	20,000	20,000	18,592	(1,408)
Interest Earned	50,000	50,000	326,659	276,659
Other	136,700	136,700	156,950	20,250
Total Revenues	1,388,988	1,388,988	1,564,697	175,709
Expenditures				
General Government				
Current:				
Attorney	20,000	20,000	12,440	7,560
AIC Dues	1,700	1,700	2,385	(685)
Audit	3,000	3,000	2,250	750
Building Inspector	50,000	50,000	6,588	43,412
Building Maintenance	5,000	5,000	5,816	(816)
City Parks	25,000	25,000	12,212	12,788
Development Supplies	7,000	7,000	6,352	648
Development & Engineer	10,000	10,000	3,323	6,677
Election	500	500	-	500
Engineering	7,000	7,000	1,018	5,982
Health Insurance	6,500	6,500	(809)	7,309
Miscellaneous	15,000	15,000	1,345	13,655
Planning & Zoning	12,000	12,000	1,296	10,704
Power	10,000	10,000	4,413	5,587
Publishing & Printing	4,500	4,500	1,796	2,704
Retirement	8,500	8,500	6,430	2,070
FICA	5,500	5,500	4,329	1,171
Salaries	65,000	65,000	55,376	9,624
Sanitation	135,000	135,000	121,222	13,778
Schools	8,000	8,000	193	7,807
Telephone	3,500	3,500	2,343	1,157
Travel	1,500	1,500	639	861
Water Shares	14,000	14,000	13,392	608
Worker's Compensation	2,500	2,500	1,240	1,260
Grant Expense	100,000	100,000	113,067	(13,067)
Capital Outlay	679,397	679,397	185	679,212
Total General Government	1,200,097	1,200,097	378,841	821,256

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

	Budgeted Amounts			
	Original	Final	Actual	Variance
Expenditures-Continued				
Public Safety				
Current:				
Law Enforcement				
Ammunition/Tasers	$ 6,000	$ 6,000	$ 4,095	$ 1,905
Animal Control	800	800	249	551
Attorney	15,000	15,000	22,846	(7,846)
Body Armor	3,500	3,500	2,973	527
Computer Update	2,000	2,000	1,566	434
Department Supplies	6,000	6,000	5,703	297
Gas, Oil & Repair	38,000	38,000	22,191	15,809
Grant Expenses	20,000	20,000	15,446	4,554
Health Insurance	120,000	120,000	99,909	20,091
Heat	-	-	(13)	13
IPOA Dues	500	500	360	140
Mobile Phone	7,500	7,500	6,265	1,235
Office Supplies	-	-	42	(42)
Ordinance Revision	2,000	2,000	71	1,929
Radio Repair	2,000	2,000	372	1,628
Retirement	57,000	57,000	57,386	(386)
FICA	38,000	38,000	33,727	4,273
Salaries	435,000	435,000	390,598	44,402
SIRCOMM	31,000	31,000	29,080	1,920
Telephone	5,000	5,000	5,839	(839)
Unemployment	1,000	1,000	-	1,000
Uniforms & School	9,500	9,500	7,369	2,131
Worker's Compensation	8,000	8,000	6,430	1,570
Patrol Cars	15,000	15,000	15,000	-
Policy Manual	750	750	1,500	(750)
Total Public Safety	823,550	823,550	729,004	94,546

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

	Budgeted Amounts			
	Original	Final	Actual	Variance
Expenditures-Continued				
Total Expenditures	2,023,647	2,023,647	1,107,845	915,802
Excess (Deficiency) of Revenues Over Expenditures	(634,659)	(634,659)	456,852	1,091,511
Net Change in Fund Balances	(634,659)	(634,659)	456,852	1,091,511
Fund Balances - Beginning	634,659	634,659	1,883,323	1,248,664
Fund Balances - Ending	$ -	$ -	$ 2,340,175	$ 2,340,175

City of Filer, Idaho
Budgetary (GAAP Basis) Comparison Schedule - Street Fund
For the Year Ended September 30, 2024

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues				
Property Taxes	$ 216,096	$ 216,096	$ 216,862	$ 766
Highway Users	230,323	230,323	293,818	63,495
50% Highway	85,000	85,000	80,378	(4,622)
Other	13,250	13,250	16,389	3,139
Total Revenues	544,669	544,669	607,447	62,778
Expenditures				
General Government				
Current:				
Attorney	1,000	1,000	66	934
Audit	2,500	2,500	2,250	250
Backhoe Lease	4,000	4,000	3,333	667
Construction	60,000	60,000	3,654	56,346
Engineering	8,500	8,500	3,085	5,415
Gas, Oil and Repair	15,000	15,000	9,130	5,870
Health Insurance	44,000	44,000	41,471	2,529
Heat	4,000	4,000	1,812	2,188
Irrigation (pressurized)	16,500	16,500	7,835	8,665
Maintenance	178,750	178,750	97,417	81,333
Miscellaneous	-	-	2,484	(2,484)
Office Supplies	6,500	6,500	265	6,235
Ordinance Revision	2,000	2,000	71	1,929
Other Operating Supplies	2,000	2,000	954	1,046
Retirement	30,000	30,000	18,021	11,979
FICA	18,000	18,000	12,208	5,792
Salaries	190,000	190,000	153,649	36,351
Telephone	3,500	3,500	1,663	1,837
Unemployment	500	500	-	500
Vehicle Maintenance	8,000	8,000	1,865	6,135
Worker's Compensation	3,500	3,500	2,212	1,288
Capital Outlay	10,000	10,000	581	9,419
Contingency	869,693	869,693	-	869,693
Total Expenditures	1,477,943	1,477,943	364,026	1,113,917
Net Change in Fund Balances	(933,274)	(933,274)	243,421	1,176,695
Fund Balances - Beginning	933,274	933,274	1,567,905	634,631
Fund Balances - Ending	$ -	$ -	$ 1,811,326	$ 1,811,326

City of Filer, Idaho
Budgetary (GAAP Basis) Comparison Schedule - Street Lighting Fund
For the Year Ended September 30, 2024

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues				
Property Taxes	$ 142,007	$ 142,007	$ 142,510	$ 503
Intergovernmental	25,057	25,057	16,124	(8,933)
Other	500	500	340	(160)
Total Revenues	167,564	167,564	158,974	(8,590)
Expenditures				
Highways & Street				
Current:				
Street Lighting	321,443	321,443	194,981	(126,462)
Total Expenditures	321,443	321,443	194,981	(126,462)
Excess (Deficiency) of Revenues Over Expenditures	(153,879)	(153,879)	(36,007)	117,872
Net Change in Fund Balances	(153,879)	(153,879)	(36,007)	117,872
Fund Balances - Beginning	153,879	153,879	134,129	(19,750)
Fund Balances - Ending	$ -	$ -	$ 98,122	$ 98,122

City of Filer, Idaho
Budgetary (GAAP Basis) Comparison Schedule - State Revenue Sharing
For the Year Ended September 30, 2024

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues				
Intergovernmental	$ 139,206	$ 139,206	$ 202,282	$ 63,076
Total Revenues	139,206	139,206	202,282	63,076
Expenditures				
General Government				
Current:				
Maintenance	327,097	327,097	97,843	229,254
Culture & Recreation				
Current:				
Maintenance	45,100	45,100	43,522	1,578
Law Enforcement				
Current:				
Maintenance	50,500	50,500	47,357	3,143
Highway & Street				
Current:				
Maintenance	10,000	10,000	-	10,000
Total Expenditures	432,697	432,697	188,722	243,975
Excess (Deficiency) of Revenues Over Expenditures	(293,491)	(293,491)	13,560	307,051
Net Change in Fund Balances	(293,491)	(293,491)	13,560	307,051
Fund Balances - Beginning	293,491	293,491	567,272	273,781
Fund Balances - Ending	$ -	$ -	$ 580,832	$ 580,832

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 Department Heads, the City Treasurer, 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 landowner and resident 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 non-enterprise 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.

City of Filer, Idaho
Schedule of Required Supplemental Information
Public Employee 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	City's Proportionate Share of the Net Pension Liability/ (Asset)	City's Covered Employee Payroll	City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2024	0.0234562%	$ 877,409	$ 1,098,887	79.85%	85.54%
2023	0.0256546%	1,023,791	1,052,243	97.30%	83.83%
2022	0.0254596%	1,002,794	1,013,950	98.90%	83.09%
2021	0.0257419%	(20,330)	1,063,726	-1.91%	88.22%
2020	0.0263086%	610,920	905,018	67.50%	93.79%
2019	0.0206130%	399,159	778,855	51.25%	91.69%
2018	0.0286335%	450,069	905,373	49.71%	90.68%
2017	0.0284690%	577,110	885,851	65.15%	87.26%
2016	0.0270974%	356,829	821,461	43.44%	91.38%
2015	0.0252262%	185,704	749,809	24.77%	94.95%

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	$ 133,906	$ 133,906	$ -	$ 1,098,887	12.19%
2023	126,631	126,631	-	1,052,243	12.03%
2022	122,316	122,316	-	1,013,950	12.06%
2021	128,332	128,332	-	1,063,726	12.06%
2020	114,702	114,702	-	905,018	12.67%
2019	111,856	111,856	-	778,855	14.36%
2018	98,559	98,559	-	905,373	10.89%
2017	100,673	100,673	-	885,851	11.36%
2016	94,254	94,254	-	821,461	11.47%
2015	85,918	85,918	-	749,809	11.46%

Data reported is measured as of September 30, 2024

SUPPLEMENTAL INFORMATION

City of Filer, Idaho
Combining Balance Sheet -
Nonmajor Governmental Funds
For the Year Ended September 30, 2024

	Health Insurance	Library	Liability Insurance	Total
Assets				
Cash and Investments	$ 58,728	$ 347,258	$ 298,831	$ 704,817
Receivables, Net:				
Property Taxes	-	2,378	1,601	3,979
Due from Other Governments	-	3,588	-	3,588
Total Assets	58,728	353,224	300,432	712,384
Total Assets and Deferred Outflows	$ 58,728	$ 353,224	$ 300,432	$ 712,384
Liabilities				
Accounts Payable	$ -	$ 1,803	$ -	$ 1,803
Total Liabilities	-	1,803	-	1,803
Deferred Inflows				
Unavailable Revenue - Property Taxes	-	2,196	1,480	3,676
Total Deferred Inflows	-	2,196	1,480	3,676
Fund Balances				
Restricted	58,728	349,225	298,952	706,905
Total Fund Balances	58,728	349,225	298,952	706,905
Total Liabilities, Deferred Inflows, and Fund Balances	$ 58,728	$ 353,224	$ 300,432	$ 712,384

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

	Health Insurance	Library	Liability Insurance	Total
Revenues				
Property Taxes	$ -	$ 89,225	$ 60,102	$ 149,327
Intergovernmental	-	12,507	-	12,507
Grants	-	3,770	-	3,770
Other	-	1,539	-	1,539
Total Revenues	-	107,041	60,102	167,143
Expenditures				
General Government	685	-	67,168	67,853
Public Safety	55,250	-	-	55,250
Highways and Streets	-	-	-	-
Cultural and Recreation	-	107,521	-	107,521
Total Expenditures	55,935	107,521	67,168	230,624
Excess (Deficiency) of Revenues Over Expenditures	(55,935)	(480)	(7,066)	(63,481)
Net Change in Fund Balances	(55,935)	(480)	(7,066)	(63,481)
Fund Balances - Beginning	114,663	349,705	306,018	770,386
Fund Balances - Ending	$ 58,728	$ 349,225	$ 298,952	$ 706,905

FEDERAL REPORTS

ZWYGART JOHN
CERTIFIED PUBLIC ACCOUNTANTS
Zwygart John & Associates CPAs, PLLC
16130 North Merchant Way, Suite 120 ◆ Nampa, Idaho 83687
Phone: 208-459-4649 ◆ FAX: 208-229-0404

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 Filer, 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 remaining fund information of the City of Filer, Idaho, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City of Filer, Idaho's basic financial statements and have issued our report thereon dated April 7, 2025.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Filer, 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 of Filer, Idaho's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Filer, Idaho's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Filer, 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.

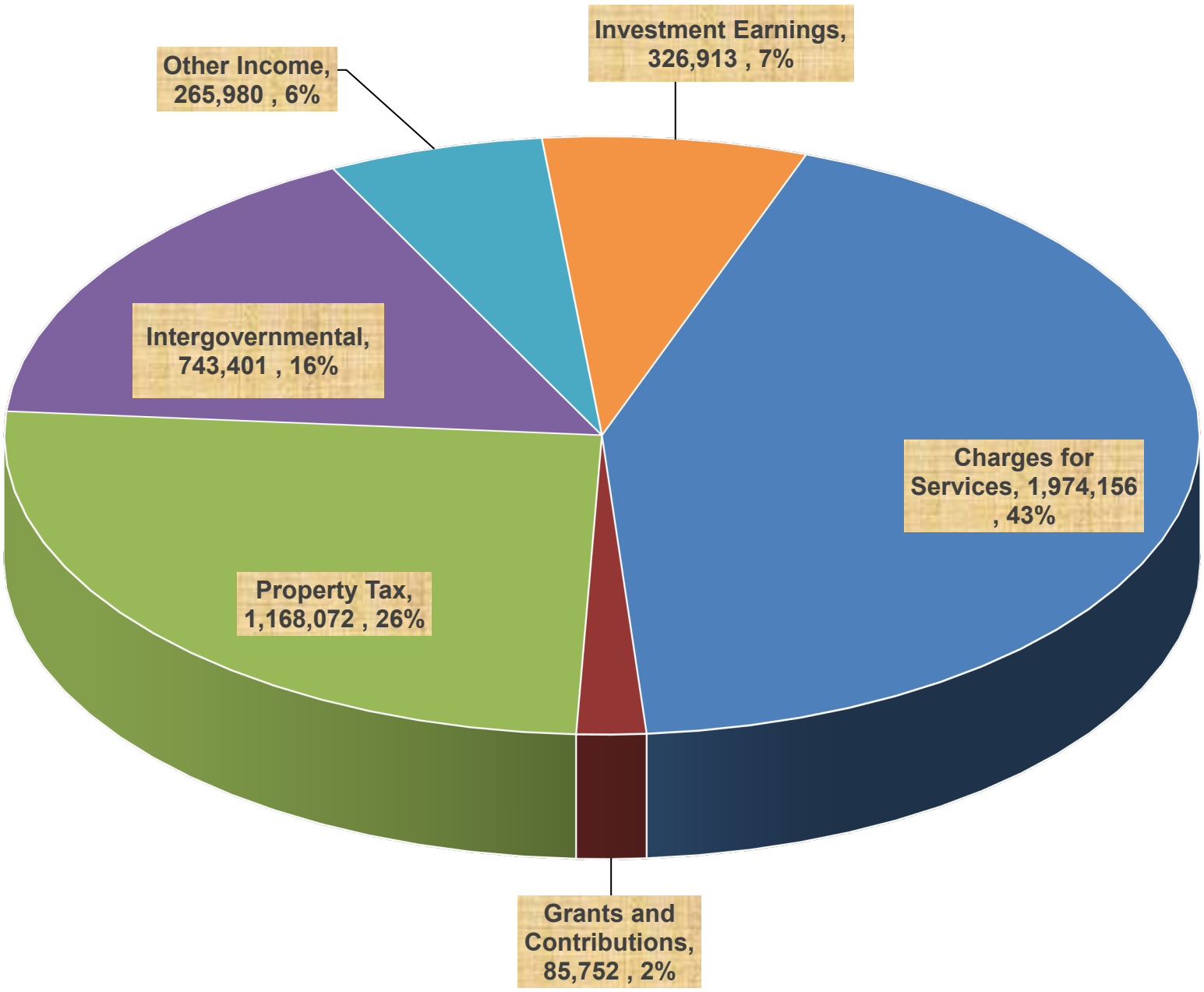
Purpose of this Report

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.

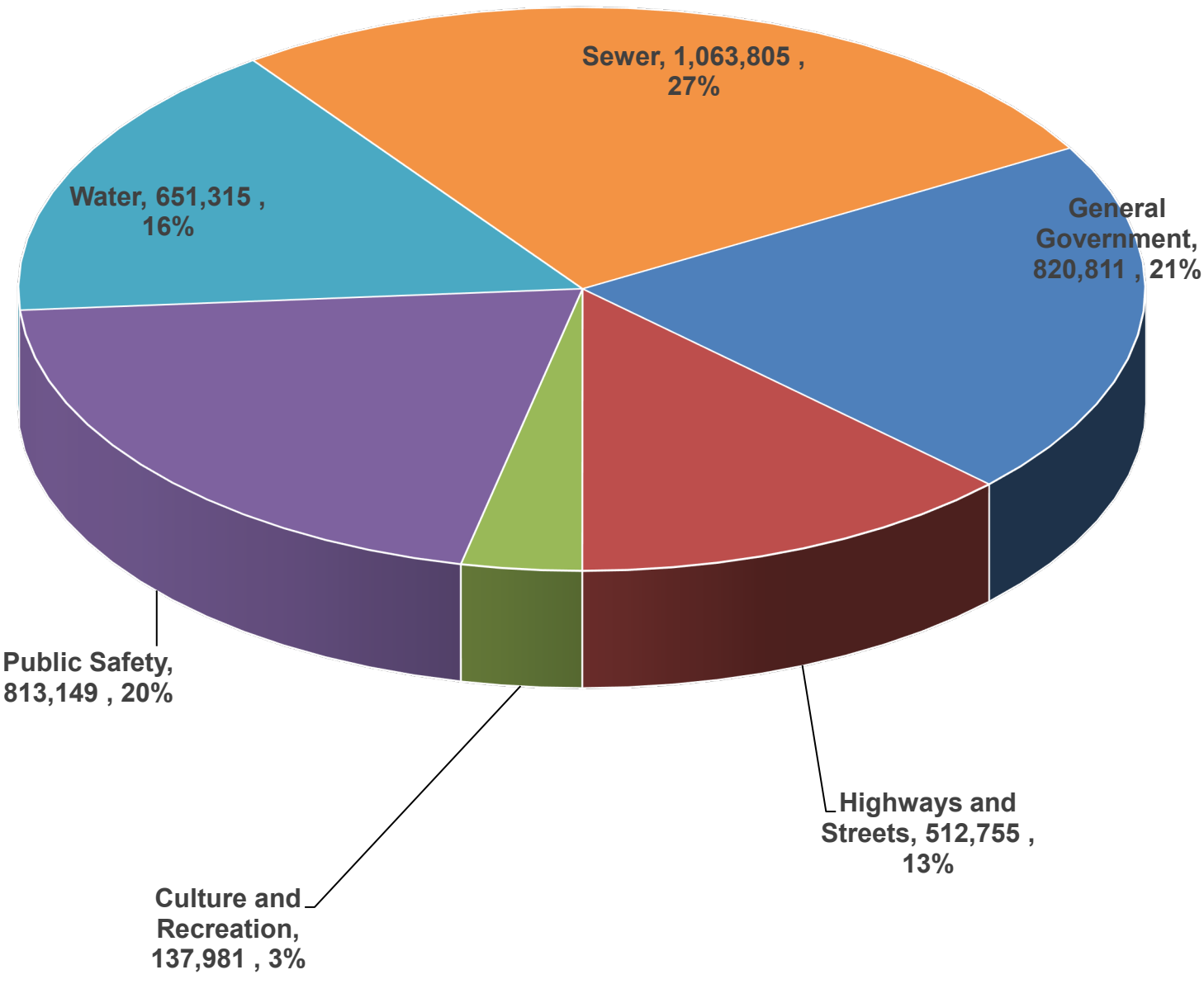
Zwygart John & Associates, CPAs PLLC

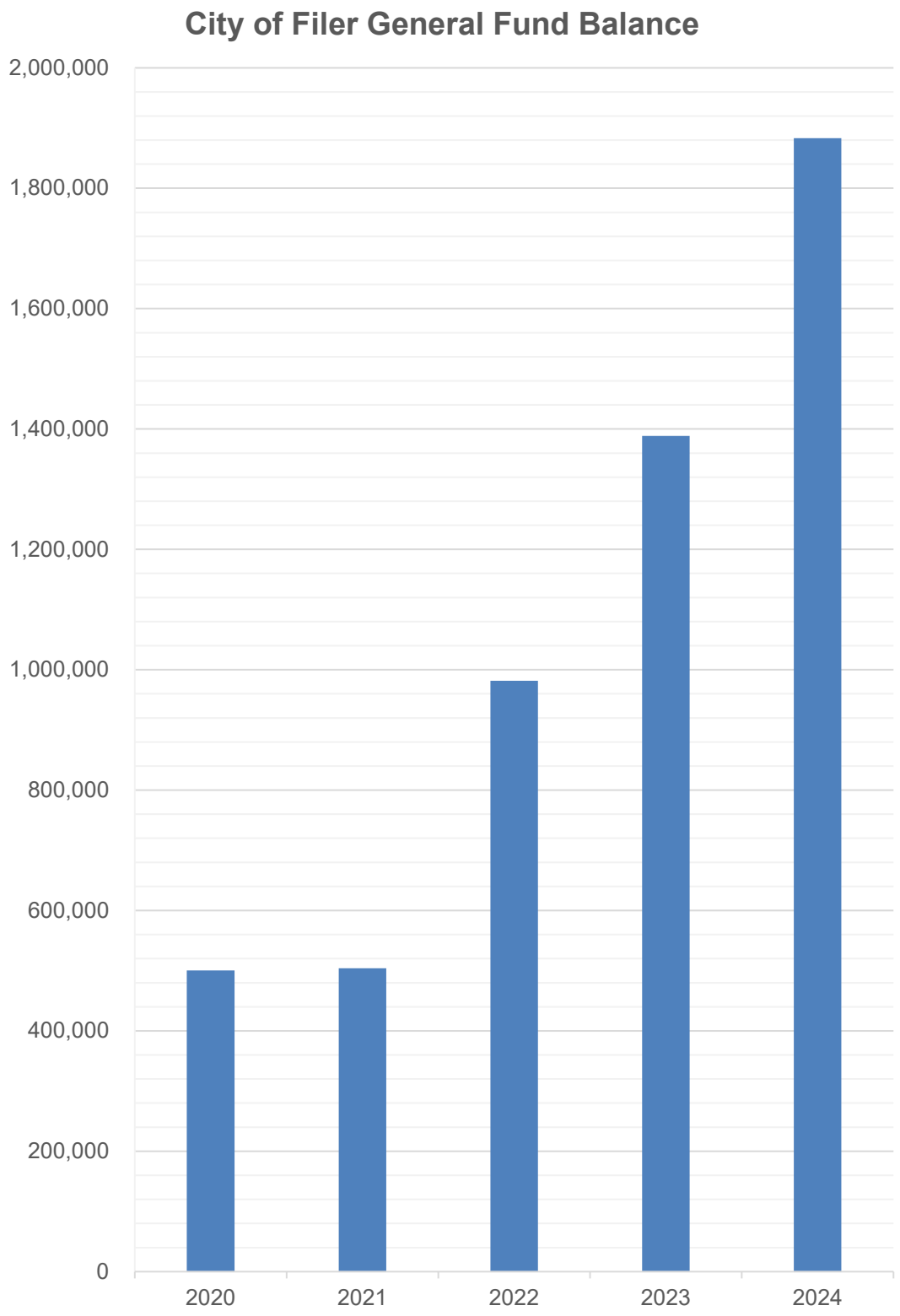
Nampa, Idaho
April 7, 2025

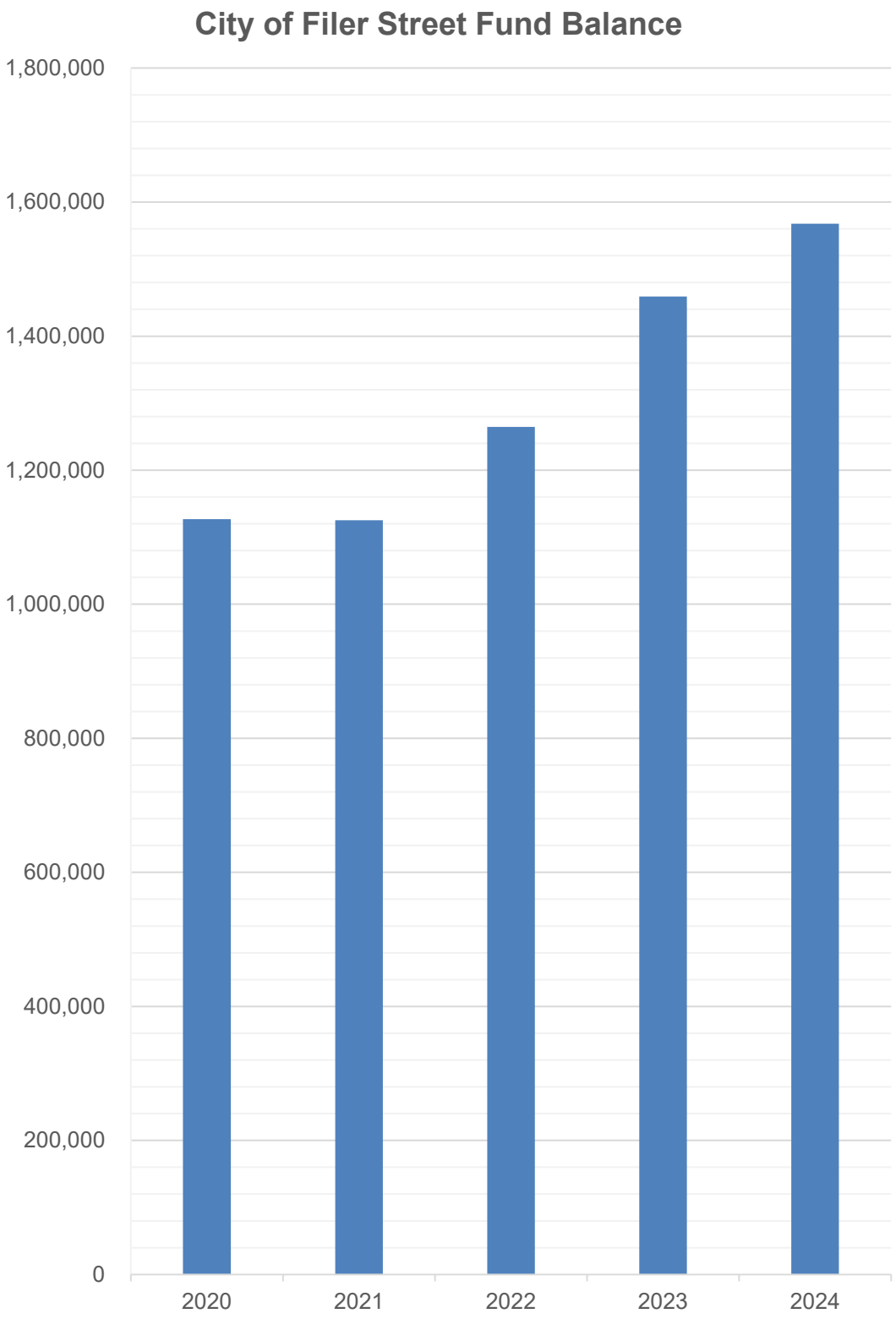
City of Filer Revenue

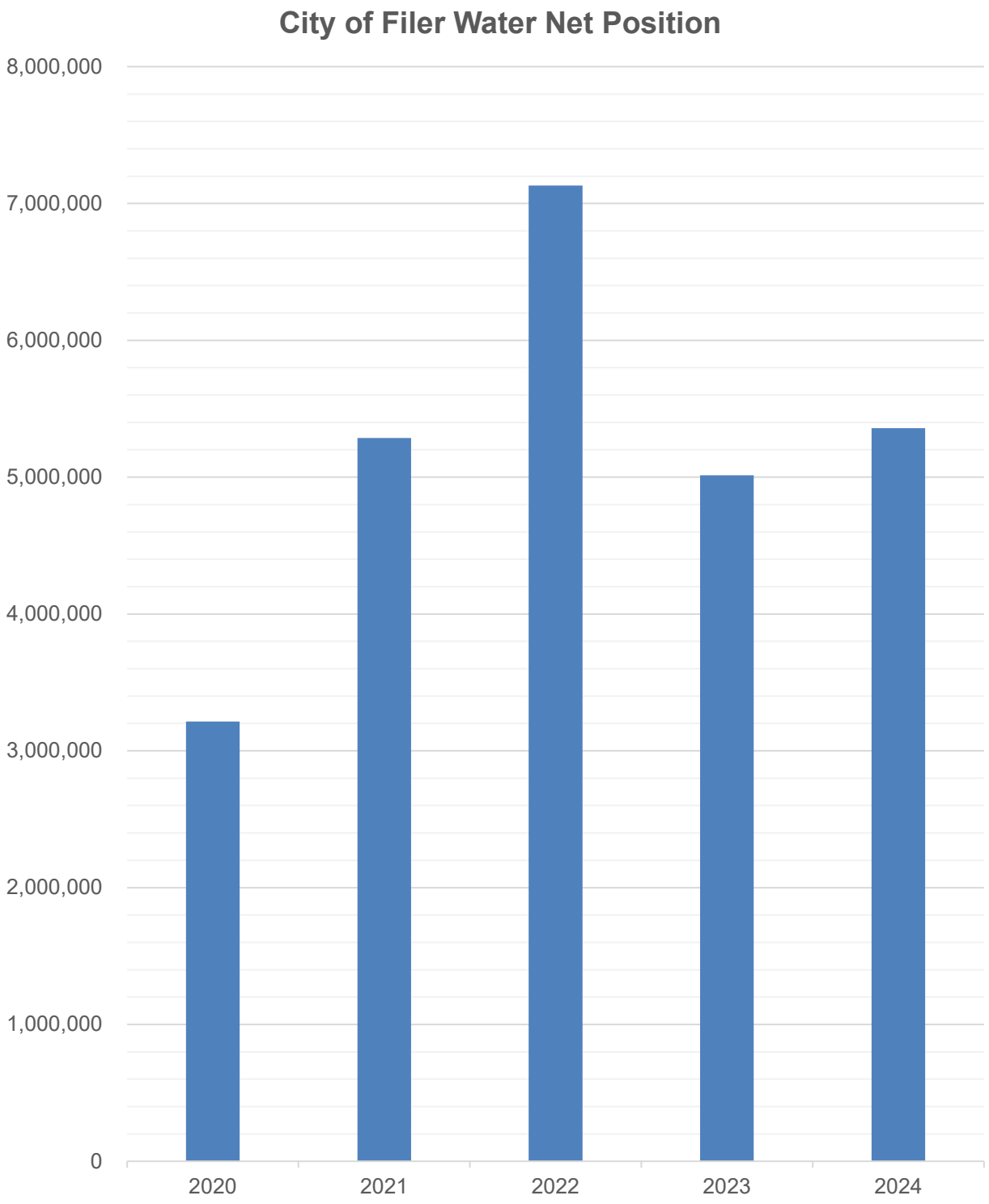


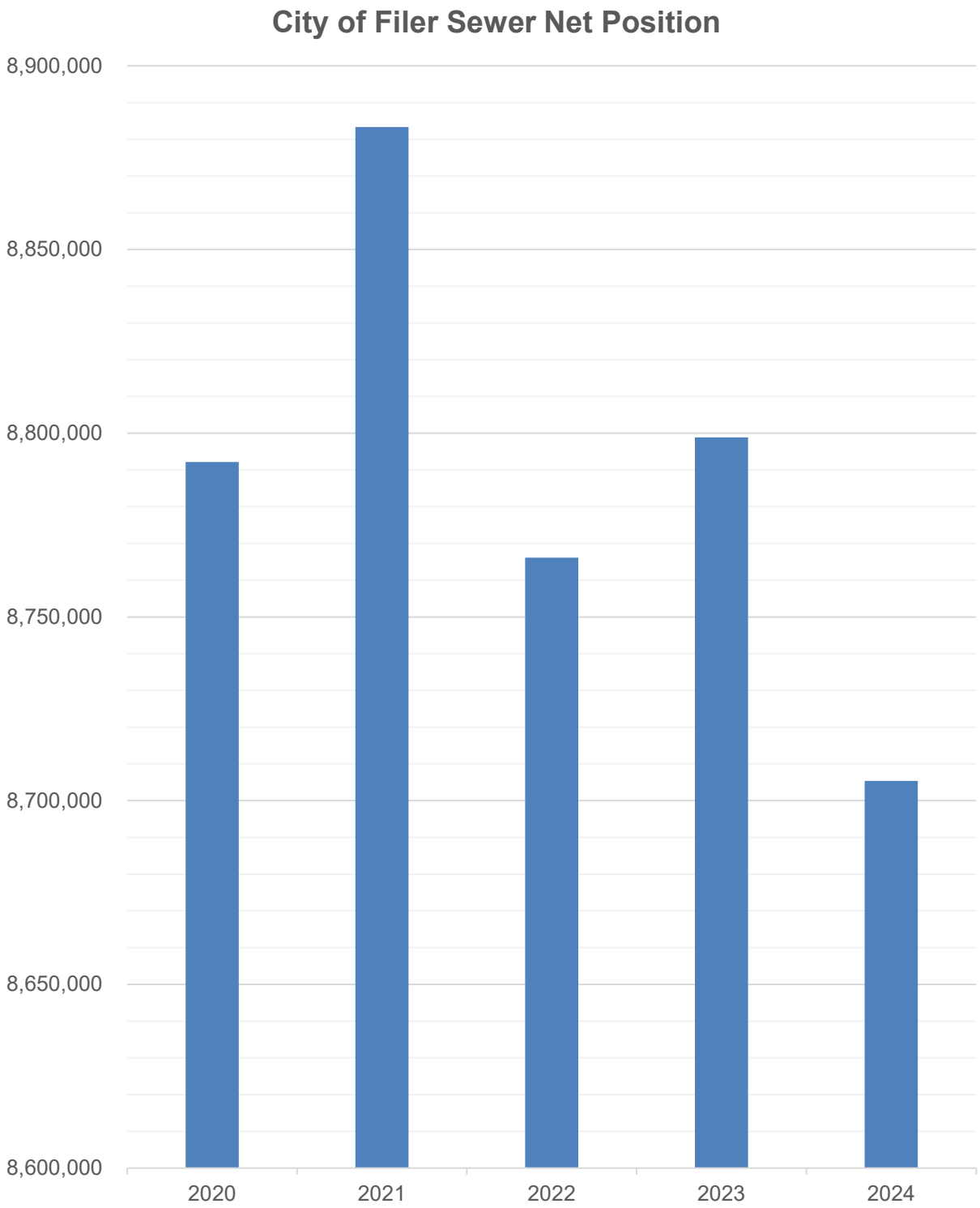
City of Filer Expenditures




City of Filer General Fund Balance
2,000,000
1,800,000
1,600,000
1,400,000
1,200,000
1,000,000
800,000
600,000
400,000
200,000
0
2020
2021
2022
2023
2024


City of Filer Street Fund Balance
1,800,000
1,600,000
1,400,000
1,200,000
1,000,000
800,000
600,000
400,000
200,000
0
2020
2021
2022
2023
2024


City of Filer Water Net Position
8,000,000
7,000,000
6,000,000
5,000,000
4,000,000
3,000,000
2,000,000
1,000,000
0
2020
2021
2022
2023
2024


City of Filer Sewer Net Position
8,900,000
8,850,000
8,800,000
8,750,000
8,700,000
8,650,000
8,600,000
2020
2021
2022
2023
2024