City of Firth, Idaho

Year Ended September 30, 2024

Audited Financial Statements



www.qcpas.com

Quest CPAs PLLC

CITY OF FIRTH, IDAHO
Table of Contents

Financial Section

Independent Auditor's Report 1

Basic Financial Statements

Government-Wide Financial Statements

Statement of Net Position 4

Statement of Activities 5

Fund Financial Statements

Balance Sheet – Governmental Funds 6

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds 8

Statement of Net Position – Proprietary Funds 10

Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds 11

Statement of Cash Flows – Proprietary Funds 12

Notes to Financial Statements 13

Required Supplementary Information

Budgetary Comparison Schedule – General and Major Special Revenue Funds 26

Schedule of Employer's Share of Net Pension Asset and Liability and Schedule of Employer Contributions Schedule of Employer Contributions 28

Other Reports and Schedules

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* 29

Quest CPAs PLLC

Quality Expertise Service Timeliness

Independent Auditor's Report

Honorable Mayor and City Council
City of Firth, 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 the City of Firth, 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, each major fund, and the aggregate remaining fund information of the City as of September 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

1740 E Fairview Ave #1116, Meridian, ID 83642 · qcpas.com · 208-642-1417

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules and schedule of employer's share of net pension asset and liability and schedule of employer contributions listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, and historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated March 24, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Quest CPAs PLLC

Meridian, Idaho
March 24, 2025

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

	Governmental Activities	Business-Type Activities	Total Primary Government
Assets			
Current Assets			
Cash	$147,972	$473,396	$621,368
Receivables:			
Taxes	3,784		3,784
Intergovernmental	26,489		26,489
Accounts		23,293	23,293
Total Current Assets	178,245	496,689	674,934
Noncurrent Assets			
Restricted Cash		62,488	62,488
Nondepreciable Capital Assets	319,696		319,696
Depreciable Net Capital Assets	1,035,223	5,457,802	6,493,025
Total Noncurrent Assets	1,354,919	5,520,290	6,875,209
Total Assets	1,533,164	6,016,979	7,550,143
Deferred Outflows of Resources			
Pension Items	3,664	5,296	8,960
Total Deferred Outflows of Resources	3,664	5,296	8,960
Total Assets and Deferred Outflows of Resources	$1,536,828	$6,022,275	$7,559,103
Liabilities			
Current Liabilities			
Accounts Payable & Accrued Expenses	$2,905	$36,412	$39,317
Accrued Interest		16,305	16,305
Long-Term Liabilities, Current		39,469	39,469
Total Current Liabilities	2,905	92,186	95,091
Noncurrent Liabilities			
Long-Term Liabilities, Noncurrent	15,498	1,824,417	1,839,915
Total Noncurrent Liabilities	15,498	1,824,417	1,839,915
Total Liabilities	18,403	1,916,603	1,935,006
Deferred Inflows of Resources			
Pension Items	282	406	688
Total Deferred Inflows of Resources	282	406	688
Total Liabilities and Deferred Inflows of Resources	18,685	1,917,009	1,935,694
Net Position			
Net Investment in Capital Assets	1,354,919	3,600,005	4,954,924
Restricted - Special Programs	12,083		12,083
Restricted - Debt Service		18,746	18,746
Unrestricted	151,141	486,515	637,656
Total Net Position	1,518,143	4,105,266	5,623,409
Total Liabilities and Deferred Inflows of Resources and Net Position	$1,536,828	$6,022,275	$7,559,103

See Accompanying Notes

CITY OF FIRTH, IDAHO

Statement of Activities

Year Ended September 30, 2024

Functions/Programs	Expenses	Program Revenues: Charges For Services	Program Revenues: Operating Grants And Contributions	Program Revenues: Capital Grants And Contributions	Net (Expense) Revenue
Primary Government					
Governmental Activities					
Current Expenditures					
General Government	$105,017	$10,864	$85,604		($8,549)
Streets	44,991	4,655	36,674		(3,662)
Capital Assets	63,555				(63,555)
Total Governmental Activities	213,563	15,519	122,278	$0	(75,766)
Business-Type Activities					
Water Services	118,324	63,710			(54,614)
Sewer Services	265,861	136,550			(129,311)
Sanitation Services	67,165	67,225			60
Total Business-Type Activities	451,350	267,485	0	0	(183,865)
Total Primary Government	$664,913	$283,004	$122,278	$0	($259,631)

Changes in Net Position	Governmental Activities	Business-Type Activities	Total Primary Government
Net (Expense) Revenue	($75,766)	($183,865)	($259,631)
General Revenues			
Taxes, Penalties, & Interest	87,043		87,043
Intergovernmental Revenue	135,916		135,916
Investment Interest	33,416		33,416
Miscellaneous	1,420		1,420
Pension Revenue (Expense)	(3,249)	(4,697)	(7,946)
Transfers	(45,491)	45,491	0
Total	209,055	40,794	249,849
Change in Net Position	133,289	(143,071)	(9,782)
Net Position - Beginning	1,384,854	4,248,337	5,633,191
Net Position - Ending	$1,518,143	$4,105,266	$5,623,409

See Accompanying Notes

CITY OF FIRTH, IDAHO

Balance Sheet - Governmental Funds
September 30, 2024

	General Fund	Street Fund	Nonmajor Fund Street Lighting Fund	Total Governmental Funds
Assets				
Cash	$141,166		$6,806	$147,972
Receivables:				
Taxes	3,346		438	3,784
Intergovernmental	19,987	$6,502		26,489
Total Assets	$164,499	$6,502	$7,244	$178,245
Liabilities				
Accounts Payable & Accrued Expenses	$1,674	$340	$891	$2,905
Total Liabilities	1,674	340	891	2,905
Deferred Inflows of Resources				
Unavailable Tax Revenues	3,304		432	3,736
Total Deferred Inflows of Resources	3,304	0	432	3,736
Fund Balances				
Restricted - Special Programs		6,162	5,921	12,083
Unassigned	159,521			159,521
Total Fund Balances	159,521	6,162	5,921	171,604
Total Liabilities and Deferred Inflows of Resources and Fund Balances	$164,499	$6,502	$7,244	$178,245

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

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

Total Governmental Fund Balances	$171,604
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	1,354,919
Certain receivables are not available to pay for current period expenditures and therefore are deferred in the funds.	3,736
Long-term liabilities, including accrued interest, are not due and payable in the current period and therefore are not reported in the funds.	(15,498)
Deferred outflows/inflows related to pensions are not due and payable in the current period and therefore are not reported in the funds.	3,382
Net Position of Governmental Activities	$1,518,143

CITY OF FIRTH, IDAHO

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

Year Ended September 30, 2024

	General Fund	Street Fund	Nonmajor Fund Street Lighting Fund	Total Governmental Funds
Revenues				
Taxes, Penalties, & Interest	$76,995		$9,011	$86,006
Licenses, Fees, & Charges	15,519			15,519
Intergovernmental Revenue	84,567	$51,349		135,916
Investment Interest	33,416			33,416
Grants & Miscellaneous	1,420	122,278		123,698
Total Revenues	211,917	173,627	9,011	394,555
Expenditures				
Current Expenditures				
General Government	109,250			109,250
Streets		36,635	10,170	46,805
Capital Outlay	46,013	356,627		402,640
Total Expenditures	155,263	393,262	10,170	558,695
Excess (Deficiency) of Revenues Over Expenditures	56,654	(219,635)	(1,159)	(164,140)
Other Financing Sources (Uses)				
Transfers In		118,680		118,680
Transfers Out	(164,171)			(164,171)
Total Other Financing Sources (Uses)	(164,171)	118,680	0	(45,491)
Net Change in Fund Balances	(107,517)	(100,955)	(1,159)	(209,631)
Fund Balances - Beginning	267,038	107,117	7,080	381,235
Fund Balances - Ending	$159,521	$6,162	$5,921	$171,604

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

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

Net Change in Fund Balances - Total Governmental Funds	($209,631)
Amounts reported for governmental activities in the statement of activities are different because:	
Government funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives as depreciation expense or allocated over the appropriate term as amortization expense. This is the excess of capital outlays over (under) depreciation/amortization expense in the current period.	339,085
Revenues in the statement of activities that do not provide current financial resources are deferred in the funds.	1,037
Changes in net pension asset/liability and related pension deferred outflows/inflows do not provide or require current financial resources and therefore are not reflected in the funds.	2,798
Change in Net Position of Governmental Activities	$133,289

CITY OF FIRTH, IDAHO

Statement of Net Position - Proprietary Funds

September 30, 2024

	Water Fund	Sewer Fund	Sanitation Fund	Total Enterprise Funds
Assets				
Current Assets				
Cash		$444,713	$28,683	$473,396
Receivables:				
Accounts	$6,005	12,309	4,979	23,293
Total Current Assets	6,005	457,022	33,662	496,689
Noncurrent Assets				
Restricted Cash		62,488		62,488
Nondepreciable Capital Assets				0
Depreciable Net Capital Assets	101,040	5,352,562	4,200	5,457,802
Total Noncurrent Assets	101,040	5,415,050	4,200	5,520,290
Total Assets	107,045	5,872,072	37,862	6,016,979
Deferred Outflows of Resources				
Pension Items	1,398	2,348	1,550	5,296
Total Deferred Outflows of Resources	1,398	2,348	1,550	5,296
Total Assets and Deferred Outflows of Resources	$108,443	$5,874,420	$39,412	$6,022,275
Liabilities				
Current Liabilities				
Accounts Payable	$30,009	$3,159	$3,244	$36,412
Accrued Interest		16,305		16,305
Long-Term Liabilities, Current		39,469		39,469
Total Current Liabilities	30,009	58,933	3,244	92,186
Noncurrent Liabilities				
Long-Term Liabilities, Noncurrent	5,911	1,811,951	6,555	1,824,417
Total Noncurrent Liabilities	5,911	1,811,951	6,555	1,824,417
Total Liabilities	35,920	1,870,884	9,799	1,916,603
Deferred Inflows of Resources				
Pension Items	107	180	119	406
Total Deferred Inflows of Resources	107	180	119	406
Total Liabilities and Deferred Inflows of Resources	36,027	1,871,064	9,918	1,917,009
Net Position				
Net Investment in Capital Assets	101,040	3,494,765	4,200	3,600,005
Restricted - Debt Service		18,746		18,746
Unrestricted	(28,624)	489,845	25,294	486,515
Total Net Position	72,416	4,003,356	29,494	4,105,266
Total Liabilities and Deferred Inflows of Resources and Net Position	$108,443	$5,874,420	$39,412	$6,022,275

CITY OF FIRTH, IDAHO

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

Year Ended September 30, 2024

	Water Fund	Sewer Fund	Sanitation Fund	Total Enterprise Funds
Operating Revenues				
Charges for Services	$63,710	$136,550	$67,225	$267,485
Total Operating Revenues	63,710	136,550	67,225	267,485
Operating Expenses				
Personnel	12,098	19,090	16,455	47,643
Goods & Services	85,795	48,800	49,310	183,905
Total Operating Expenses	97,893	67,890	65,765	231,548
Operating Income (Loss) Before Depreciation	(34,183)	68,660	1,460	35,937
Depreciation Expense	20,431	174,389	1,400	196,220
Operating Income (Loss)	(54,614)	(105,729)	60	(160,283)
Nonoperating Revenues (Expenses)				
Interest Expense		(23,582)		(23,582)
Pension Revenue (Expense)	(1,240)	(2,082)	(1,375)	(4,697)
Total Nonoperating Revenue (Expenses)	(1,240)	(25,664)	(1,375)	(28,279)
Income (Loss) Before Transfers	(55,854)	(131,393)	(1,315)	(188,562)
Transfers In	45,491			45,491
Transfers Out				0
Change in Net Position	(10,363)	(131,393)	(1,315)	(143,071)
Net Position - Beginning	82,779	4,134,749	30,809	4,248,337
Net Position - Ending	$72,416	$4,003,356	$29,494	$4,105,266

CITY OF FIRTH, IDAHO

Statement of Cash Flows - Proprietary Funds

Year Ended September 30, 2024

	Water Fund	Sewer Fund	Sanitation Fund	Total Enterprise Funds
Cash Flows From Operations				
Receipts from Customers	$62,140	$134,366	$67,150	$263,656
Payments for Personnel	(14,395)	(22,979)	(19,011)	(56,385)
Payments for Goods & Services	(62,690)	(48,072)	(53,810)	(164,572)
Cash Provided (Used) By Operations	(14,945)	63,315	(5,671)	42,699
Cash Flows From Noncapital Financing				
Transfers (to) from Other Funds	45,491			45,491
Cash Provided (Used) By Noncapital Financing	45,491	0	0	45,491
Cash Flows From Capital & Related Financing				
Interest Paid on Debt		(23,506)		(23,506)
Principal Paid on Debt		(38,982)		(38,982)
Cash Provided (Used) By Capital & Related Financing	0	(62,488)	0	(62,488)
Change in Cash & Investments	30,546	827	(5,671)	25,702
Cash - Beginning	(30,546)	506,374	34,354	510,182
Cash - Ending	$0	$507,201	$28,683	$535,884
Cash Reconciliation				
Cash	$0	$488,455	$28,683	$517,138
Restricted Cash		18,746		18,746
Total Cash	$0	$507,201	$28,683	$535,884
Reconciliation of Operating Income (Loss) to Cash Provided (Used) By Operations				
Operating Income (Loss)	($54,614)	($105,729)	$60	($160,283)
Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operations:				
Depreciation	20,431	174,389	1,400	196,220
PERSI Contributions	(2,297)	(3,889)	(2,556)	(8,742)
Changes in Assets & Liabilities:				
Receivables	(1,570)	(2,184)	(75)	(3,829)
Accounts Payable & Accrued Expenses	23,105	728	(4,500)	19,333
Cash Provided (Used) By Operations	($14,945)	$63,315	($5,671)	$42,699

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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

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

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

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

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

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

Special Revenue Funds – Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. Major special revenue funds include the street fund, which accounts for maintenance and betterments of the City's streets and related infrastructure.

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

Water, Sewer, and Sanitation Funds – The water, sewer, and sanitation funds account for the revenues earned and expenses incurred in providing water, sewer, and sanitation services.

Basis of Accounting – Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied. Both governmental and business-type activities in the government-wide financial statements and proprietary and fiduciary fund financial statements are reported on the full accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

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

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

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

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

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

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

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

Compensated Absences – The City provides certain compensated absences to its employees. The estimated amount of compensation for future amounts is deemed to be immaterial and, accordingly, no liability is recorded.

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

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

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

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

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

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

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

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

Custodial Credit Risk – The City maintains its cash at insured financial institutions. Periodically, balances may exceed federally insured limits. The City does not have a formal policy concerning custodial credit risk.

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

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

B. CASH AND INVESTMENTS

Cash and investments consist of the following at year end:

	Governmental Funds	Proprietary Funds	Total
Cash - Deposits	$49,765	$77,628	$127,393
Investments - Local Gov't Investment Pool	98,207	458,256	556,463
Total	$147,972	$535,884	$683,856

Deposits – At year end, the carrying amounts of the City's deposits were $127,393 and the bank balances were $147,096. The bank balances were insured.

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

Interest rate risk:

	Investment Maturity Schedule (In Years)	
Investment Type	Less Than 1	Total
Local Gov't Invest Pool	$556,463	$556,463
Total	$556,463	$556,463

Credit rate risk:

	Investment Rating Schedule	
Investment Type	Not Rated	Total
Local Gov't Invest Pool	$556,463	$556,463
Total	$556,463	$556,463

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

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

Restricted Cash & Investments – Restricted cash and investments at year end is cash and investments set aside because their use is limited by City ordinance and by the City council. Per sewer revenue bond covenants, the City is required to restrict cash and investments within its sewer fund at a rate of one-tenth of an annual payment per year until one annual bond payment has been accumulated. Management is not aware of any violations of these covenants.

C. CAPITAL ASSETS

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

Governmental Activities	Beginning Balance*	Increases	Decreases	Ending Balance
Nondepreciable Capital Assets				
Land	$319,696			$319,696
Construction in Progress				0
Total	319,696	$0	$0	319,696
Depreciable Capital Assets				
Buildings & Improvements	732,566			732,566
Equipment	232,008	46,013		278,021
Infrastructure	676,335	356,627		1,032,962
Subtotal	1,640,909	402,640	0	2,043,549
Accumulated Depreciation				
Buildings & Improvements	375,337	11,167		386,504
Equipment	175,226	15,147		190,373
Infrastructure	394,208	37,241		431,449
Subtotal	944,771	63,555	0	1,008,326
Total	696,138	339,085	0	1,035,223
Net Capital Assets	$1,015,834	$339,085	$0	$1,354,919

Depreciation expense of $63,555 was charged to the capital assets program. *Beginning capital asset category amounts have been reclassified for consistency purposes.

Business-Type Activities	Beginning Balance*	Increases	Decreases	Ending Balance
Nondepreciable Capital Assets				
Land	$0			$0
Total	0	$0	$0	0
Depreciable Capital Assets				
Buildings & Improvements	93,075			93,075
Equipment	70,930			70,930
Utility Systems	7,347,395			7,347,395
Subtotal	7,511,400	0	0	7,511,400
Accumulated Depreciation				
Buildings & Improvements	75,950	1,925		77,875
Equipment	62,820	3,910		66,730
Utility Systems	1,718,608	190,385		1,908,993
Subtotal	1,857,378	196,220	0	2,053,598
Total	5,654,022	(196,220)	0	5,457,802
Net Capital Assets	$5,654,022	($196,220)	$0	$5,457,802

Depreciation expense of $20,431, $174,389, and $1,400 was charged to the water, sewer, and sanitation services programs, respectively. *Beginning capital asset category amounts have been reclassified for consistency purposes.

D. LONG-TERM LIABILITIES

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

Business-Type Activities:

	Outstanding
2019 - $1,957,000 - sewer revenue bonds for capital improvements due in annual installments of $62,488 with interest at 1.25% through 2060/61, secured by future sewer revenue fees, paid through the sewer fund	$1,841,492
Total	$1,841,492

Maturities on the bonds are estimated as follows:

Year Ended	Principal	Interest
9/30/25	$39,469	$23,019
9/30/26	39,963	22,525
9/30/27	40,462	22,026
9/30/28	40,968	21,520
9/30/29	41,480	21,008
9/30/30-34	215,309	97,131
9/30/35-39	229,107	83,333
9/30/40-44	243,787	68,653
9/30/45-49	259,411	53,029
9/30/50-54	276,034	36,406
9/30/55-59	293,723	18,717
9/30/60-61	121,779	2,282
Total	$1,841,492	$469,649

Changes in long-term liabilities are as follows:

Description	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Act.					
Net Pension Liability	$18,423		$2,925	$15,498	-
Subtotal	18,423	$0	2,925	15,498	$0
Business-Type Act.					
2019 SR Bond	1,880,474		38,982	1,841,492	39,469
Net Pension Liability	26,619		4,225	22,394	-
Subtotal	1,907,093	0	43,207	1,863,886	39,469
Total	$1,925,516	$0	$46,132	$1,879,384	$39,469

Interest and related costs during the year amounted to $23,582 and were charged to the sewer services program.

E. PENSION PLAN

Plan description

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

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

Pension benefits

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

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

Member and employer contributions

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

The contribution rates for employees are set by statute at 60% of the employer rate for general employees and 74% for public safety. As of June 30, 2024 it was 6.71% for general employees and 9.83% for public safety. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.18% for general employees and 13.26% for public safety. The City's contributions were $5,703 for the year ended September 30, 2024.

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

At September 30, 2024, the City reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2024, the City's proportion was 0.00101298%.

For the year ended September 30, 2024, the City recognized pension revenue (expense) of ($7,946). At September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$6,033	
Changes in assumptions or other inputs	1,501	
Net difference between projected and actual earnings on pension plan investments		$688
Employer contributions subsequent to the measurement date	1,426	
Total	$8,960	$688

$1,426 reported as deferred outflows of resources related to pensions resulting from City contributions made subsequent to the measurement date will be recognized as an adjustment to the pension revenue (expense) in the year ending September 30, 2025.

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

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

Year Ended	
9/30/25	($1,870)
9/30/26	(7,065)
9/30/27	1,218
9/30/28	871
Total	($6,846)

Actuarial assumptions

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

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

Inflation	2.30%
Salary increases including inflation	3.05%
Investment rate of return, net of investment expenses	6.35%
Cost-of-living (COLA) adjustments	1.00%

Contributing members, service retirement members, and beneficiaries

General Employees and All Beneficiaries - Males	Pub-2010 General Tables, increased 11%
General Employees and All Beneficiaries - Females	Pub-2010 General Tables, increased 21%
Teachers - Males	Pub-2010 Teacher Tables, increased 12%
Teachers - Females	Pub-2010 Teacher Tables, increased 21%
Fire & Police - Males	Pub-2010 Safety Tables, increased 21%
Fire & Police - Females	Pub-2010 Safety Tables, increased 26% 5% of Fire & Police active member deaths are assumed to be duty related. This assumption was adopted July 1, 2021.
Disabled Members - Males	Pub-2010 Disabled Tables, increased 38%
Disabled Members - Females	Pub-2010 Disabled Tables, increased 36%

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

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

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

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

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

Discount rate

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

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

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

	1% Decrease (5.35%)	Current Discount Rate (6.35%)	1% Increase (7.35%)
City's proportionate share of the net pension liability	$72,007	$37,892	$10,029

Pension plan fiduciary net position

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

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

Impact on the City's net position

Depending on the annual performance of the Base Plan and the various non-financial factors that affect the collective Base Plan net pension liability (as described above), the City may periodically experience a deficit in its net position. This can occur as a result of recording the City's allocable portion of the net

pension liability which is an estimated liability that changes substantially from year to year depending on the factors described above but does not currently require cash outflows. As the net pension liability of the Base Plan is closely monitored by PERSI's board (who makes changes to the contribution rates and other terms of the Base Plan when deemed necessary), such deficits are not deemed to be of substantial concern.

F. INTERFUND TRANSFERS

Interfund transfers during the year consist of the following:

Fund	Transfer In	Transfer Out	Purpose
General		$164,171	Support
Street	$118,680		Support
Water	45,491		Support
Total	$164,171	$164,171	

G. TAX ABATEMENTS

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

CITY OF FIRTH, IDAHO

Budgetary Comparison Schedule -
General and Major Special Revenue Funds
Year Ended September 30, 2024

General Fund	Budgeted Amounts (GAAP Basis) Original	Budgeted Amounts (GAAP Basis) Final	Actual Amounts	Final Budget Variance Positive (Negative)	
Revenues					
Taxes, Penalties, & Interest	$88,626	$88,626	$76,995	($11,631)	
Licenses, Fees, & Charges	15,000	15,000	15,519	519	
Intergovernmental Revenue	64,300	64,300	84,567	20,267	
Investment Interest	25,500	25,500	33,416	7,916	
Grants & Miscellaneous	1,500	1,500	1,420	(80)	
Total Revenues	194,926	194,926	211,917	16,991	
Expenditures					
Current Expenditures					
General Government	784,926	784,926	109,250	675,676	
Streets	0	0	0	0	
Capital Outlay	0	0	46,013	(46,013)	
Total Expenditures	784,926	784,926	155,263	629,663	*
Excess (Deficiency) of Revenues Over Expenditures	(590,000)	(590,000)	56,654	646,654	
Other Financing Sources (Uses)					
Transfers In	0	0	0	0	
Transfers Out	0	0	(164,171)	(164,171)	*
Total Other Financing Sources (Uses)	0	0	(164,171)	(164,171)	
Net Change in Fund Balances	(590,000)	(590,000)	(107,517)	482,483	
Fund Balances - Beginning	590,000	590,000	267,038	(322,962)	
Fund Balances - Ending	$0	$0	$159,521	$159,521	
	**Total expenditures (over) under appropriations are:*			$465,492	

CITY OF FIRTH, IDAHO

Budgetary Comparison Schedule -
General and Major Special Revenue Funds
Year Ended September 30, 2024

Street Fund	Budgeted Amounts (GAAP Basis) Original	Budgeted Amounts (GAAP Basis) Final	Actual Amounts	Final Budget Variance Positive (Negative)	
Revenues					
Taxes, Penalties, & Interest	$0	$0	$0	$0	
Licenses, Fees, & Charges	0	0	0	0	
Intergovernmental Revenue	41,150	41,150	51,349	10,199	
Investment Interest	0	0	0	0	
Grants & Miscellaneous	500,000	500,000	122,278	(377,722)	
Total Revenues	541,150	541,150	173,627	(367,523)	
Expenditures					
Current Expenditures					
General Government	0	0	0	0	
Streets	41,150	41,150	36,635	4,515	
Capital Outlay	500,000	500,000	356,627	143,373	
Total Expenditures	541,150	541,150	393,262	147,888	*
Excess (Deficiency) of Revenues Over Expenditures	0	0	(219,635)	(219,635)	
Other Financing Sources (Uses)					
Transfers In	0	0	118,680	118,680	
Transfers Out	0	0	0	0	*
Total Other Financing Sources (Uses)	0	0	118,680	118,680	
Net Change in Fund Balances	0	0	(100,955)	(100,955)	
Fund Balances - Beginning	0	0	107,117	107,117	
Fund Balances - Ending	$0	$0	$6,162	$6,162	
	**Total expenditures (over) under appropriations are:*			$147,888	

CITY OF FIRTH, IDAHO

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

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

Fiscal Year Ended June 30	Employer's Portion of the Net Pension (Asset) Liability	Employer's Proportionate Share of the Net Pension (Asset) Liability	Covered Payroll	Employer's Proportional Share of the Net Pension (Asset) Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension (Asset) Liability
2015	0.00265980%	$35,025	$81,567	42.94%	91.38%
2016	0.00240040%	$48,660	$81,562	59.66%	87.26%
2017	0.00286335%	$45,007	$88,929	50.61%	90.68%
2018	0.00212600%	$31,359	$68,395	45.85%	91.69%
2019	0.00199770%	$22,803	$67,846	33.61%	93.79%
2020	0.00217610%	$50,532	$77,491	65.21%	88.22%
2021	0.00257751%	($2,036)	$96,038	-2.12%	100.36%
2022	0.00117469%	$46,268	$46,324	99.88%	83.09%
2023	0.00112867%	$45,042	$47,988	93.86%	83.83%
2024	0.00101298%	$37,892	$49,642	76.33%	85.54%

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

Schedule of Employer Contributions

Fiscal Year Ended September 30	Actuarially Determined Contribution	Contributions in Relation to Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	$8,433	$8,433	$0	$74,496	11.32%
2016	$7,947	$7,947	$0	$70,203	11.32%
2017	$7,788	$7,788	$0	$68,799	11.32%
2018	$7,743	$7,743	$0	$68,401	11.32%
2019	$7,681	$7,681	$0	$66,966	11.47%
2020	$9,252	$9,252	$0	$77,487	11.94%
2021	$11,485	$11,485	$0	$96,189	11.94%
2022	$5,531	$5,531	$0	$46,323	11.94%
2023	$5,730	$5,730	$0	$48,766	11.75%
2024	$5,703	$5,703	$0	$50,136	11.38%

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

Quest CPAs PLLC
Quality Expertise Service Timeliness

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 Firth, 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, and each major fund of City of Firth, Idaho (the City) as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated March 24, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The

1740 E Fairview Ave #1116, Meridian, ID 83642 · qcpas.com · 208-642-1417

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

Purpose of this Report

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

Quest CPAs PLLC

Meridian, Idaho
March 24, 2025