CITY OF GENESEE, IDAHO

Genesee, Idaho

Audited Financial Statements
For the Year Ended
September 30, 2024

CITY OF GENESEE, IDAHO
Genesee, Idaho

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HAYDEN ROSS

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and the City Council
City of Genesee, Idaho
Genesee, Idaho 83832

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of City of Genesee, Idaho, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise City of Genesee, Idaho'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, and each major fund of City of Genesee, 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 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 City of Genesee, Idaho and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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 City of Genesee, Idaho's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities 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 City of Genesee, Idaho's internal control. Accordingly, no such opinion is expressed.

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 9, the budgetary comparison schedules on pages 39 through 42, and the net pension (asset) liability related schedules on page 43 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 inquires, 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.

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated February 28, 2025 on our consideration of City of Genesee, 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 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 City of Genesee, Idaho's internal control over financial reporting or on compliance. That report

is an integral part of an audit performed in accordance with *Government Auditing Standard* in considering City of Genesee, Idaho's internal control over financial reporting and compliance.

Hayden Ross, PLLC

Moscow, Idaho
February 28, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2024

The management's discussion and analysis (MD&A) of the City of Genesee, Idaho's financial performance provides an overall review of the City's financial activities for the year ended September 30, 2024. The intent of this MD&A is to look at the City's financial performance as a whole; readers should also review the basic financial statements to enhance their understanding of the City's financial performance.

Street Project: The City completed an annual street maintenance project including chipseal, crack seal, striping, and asphalt patching in August of 2024 using $106,810 of property tax allocated to the street fund. New sidewalks were also installed in June of 2024 utilizing $187,000 of Child Pedestrian Safety Grant funds and $49,705 of property tax allocated to the street fund.

Wastewater Treatment Facility: 49% of the construction of the new facility was completed by September 30, 2024. A combination of grants and loans totaling $9,261,290 funded the construction in fiscal year 2023/2024.

New Wells: Construction engineering for Well #8 was completed in fiscal year 2023/2024. Design for Well #9 is ongoing. Funds expended on the project in fiscal year 2023/2024 totaled $78,073.

Overview of the Financial Statements

The City's basic financial statements comprise of three components:

(1) Government-wide financial statements,
(2) Fund financial statements, and
(3) Notes to the financial statements.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private sector business. The statements present an aggregate view of the City's finances. They contain useful long-term information for the just completed fiscal year.

The statement of net position presents information on all of the assets, deferred outflows of resources, liabilities and deferred inflows of resources of the City, with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the change occurs, regardless of the timing of related cash flow. Thus, revenues and expenses

are reported in this statement for some items that will only result in cash flows in future fiscal periods.

In the Statement of Net Position and the Statement of Activities, we divide the City into two categories of activities:

- **Governmental Activities -** Most of the City's basic services are reported here, including general administration, streets, parks and recreation. Taxes, intergovernmental revenues, permits, fines, and grants principally support these.

- **Business-type Activities -** The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's water and sewer systems are reported here.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds. Governmental funds are used to account for essentially the same function reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

The City adopts an annual appropriated budget for its governmental funds and proprietary funds.

Proprietary Funds. The City maintains proprietary funds. Enterprise funds (one type of proprietary funds) are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer operations, all of which are considered to be major funds of the City.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Government-Wide Financial Analysis
Net Position of Governmental and Business-type Activities
As of September 30,

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2024	**2023**	**2024**	**2023**	**2024**	**2023**
Assets						
Current assets	1,285,056	1,616,923	1,313,487	1,565,729	2,598,543	3,182,652
Capital assets	5,010,722	5,026,492	15,936,904	6,707,048	20,947,626	11,733,540
Total Assets	**6,295,778**	**6,643,415**	**17,250,391**	**8,272,777**	**23,546,169**	**14,916,192**
Deferred Outflows of Resources	**36,359**	**50,404**	**31,870**	**58,576**	**68,229**	**108,980**
Liabilities						
Current liabilities	157,718	567,143	3,077,880	1,127,288	3,235,598	1,694,431
Noncurrent liabilities	392,324	464,172	2,600,323	3,053,668	2,992,647	3,517,840
Total Liabilities	**550,042**	**1,031,315**	**5,678,203**	**4,180,956**	**6,228,245**	**5,212,271**
Deferred Inflows of Resources	**450,838**	**379,142**	**160,761**	**209,906**	**611,599**	**589,048**
Net Position						
Net investment in capital assets	4,663,738	4,598,940	11,466,048	3,789,571	16,129,786	8,388,511
Restricted	37,069	32,948	-	-	37,069	32,948
Unrestricted	630,450	651,474	(22,751)	150,920	607,699	802,394
Total Net Position	**$ 5,331,257**	**$ 5,283,362**	**$11,443,297**	**$ 3,940,491**	**$16,774,554**	**$ 9,223,853**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $16,774,554 at September 30, 2024.

By far the largest portion of the City's net position (96.2%) reflects its net investment in capital assets (e.g., land, infrastructure, buildings, machinery, and equipment); less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide service to citizens; consequently, these assets are not available for future spending.

Net Position

At the end of the current year, the City was able to report positive balances of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

Government-Wide Financial Analysis
Changes in Net Position of Governmental and Business-type Activities

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023-2024	2022-2023	2023-2024	2022-2023	2023-2024	2022-2023
Revenues						
Program Revenues:						
Charges for services	192,662	162,383	655,485	631,781	848,147	794,164
Capital grants and contributions	187,000	-	5,975,572	1,205,441	6,162,572	1,205,441
General Revenues:						
Property taxes	421,970	407,907	-	-	421,970	407,907
Intergovernmental	211,904	196,995	-	-	211,904	196,995
Interest earnings	16,491	4,128	25,340	10,063	41,831	14,191
Miscellaneous	79,550	58,055	14,040	3,368	93,590	61,423
Donated asset	-	2,697,338	-	-	-	2,697,338
Gain on extinguishment of debt	-	-	1,482,417	13,488	1,482,417	13,488
Total Revenues	**1,109,577**	**3,526,806**	**8,152,854**	**1,864,141**	**9,262,431**	**5,390,947**
Expenses						
Program Expenses:						
General government	229,720	147,061	-	-	229,720	147,061
Public safety	44,440	52,242	-	-	44,440	52,242
Highways and streets	470,580	310,789	-	-	470,580	310,789
Culture and recreation	101,774	86,132	-	-	101,774	86,132
Sanitation	180,973	175,027	-	-	180,973	175,027
Capital outlay	19,013	7,180	-	-	19,013	7,180
Interest on long-term debt	13,834	15,837	-	-	13,834	15,837
Amortization	1,348	1,348	-	-	1,348	1,348
Water	-	-	352,163	257,552	352,163	257,552
Sewer	-	-	297,885	232,781	297,885	232,781
Total Expenses	**1,061,682**	**795,616**	**650,048**	**490,333**	**1,711,730**	**1,285,949**
Change in Net Position	47,895	2,731,190	7,502,806	1,373,808	7,550,701	4,104,998
Net Position - Beginning	**5,283,362**	**2,544,172**	**3,940,491**	**2,556,419**	**9,223,853**	**5,100,591**
Prior Period Adjustment	**-**	**8,000**	**-**	**10,264**	**-**	**18,264**
Net Position - Ending	**$ 5,331,257**	**$ 5,283,362**	**$11,443,297**	**$ 3,940,491**	**$16,774,554**	**$ 9,223,853**

Governmental activities:

Net position increased by $47,895 in the governmental activities in fiscal year 2024. Key element of this net increase are as follows:

- Capital grants of $187,000 in the current year
- Increase in the charges for services, interest income, and miscellaneous

Business-type activities:

The business-type activities net position increased by $7,502,806 for fiscal year 2024. Key element of this net increase are as follows:

- Capital grants of $5,975,572 in the current year.
- Increase in the gain on extinguishment of debt in the current year.

Capital Asset and Debt Administration. At the end of fiscal year 2024, the City had $20,947,626 invested in capital assets (land, buildings, equipment, vehicles, and water and sewer lines). These assets are necessary to carry out the day-to-day operations of the City.

The City acquired a line of credit in FY2021 as interim financing for the water project that had an ending balance of $1,983,232 at yearend. The City acquired a DEQ loan in FY2021 that had an ending balance of $2,487,624 at yearend. The City started the year with $423,471 in general obligation bonds outstanding. The City retired $79,220 in bonds during the year to end the fiscal year with $344,251 in general obligation bonds outstanding.

Capital Assets
Governmental and Business-type Activities
Net of Accumulated Depreciation
As of September 30,

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Land and non-depreciated capital assets	120,800	131,390	12,785,686	5,703,047	12,906,486	5,834,437
Buildings	752,981	775,635	11,135	11,982	764,116	787,617
Equipment	160,851	188,733	37,599	47,509	198,450	236,242
Improvements	3,973,395	3,926,691	3,102,484	944,510	7,075,879	4,871,201
Right-of-Use assets	2,695	4,043	-	-	2,695	4,043
Net Capital Assets	$ 5,010,722	$ 5,026,492	$15,936,904	$ 6,707,048	$20,947,626	$11,733,540

Requests for Information. This financial report is designed to provide a general overview of the City of Genesee, Idaho's finances for all those with interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to City Hall, P.O. Box 38, Genesee, Idaho 83832.

FINANCIAL STATEMENTS

STATEMENT OF NET POSITION
September 30, 2024

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash	70,625	164,935	235,560
Investments	715,881	1,084,208	1,800,089
Taxes receivable	7,844	-	7,844
Unbilled taxes receivable	386,785	-	386,785
Other receivables:			
Due from other governments	47,597	-	47,597
Grant receivable	-	4,150	4,150
Other receivables	3,152	4,486	7,638
Customer accounts	22,443	53,948	76,391
Prepaid items	1,984	1,760	3,744
Restricted assets:			
Restricted cash	28,745	-	28,745
Total current assets	1,285,056	1,313,487	2,598,543
Noncurrent assets:			
Non-depreciated capital assets	120,800	12,785,686	12,906,486
Depreciated capital assets, net of accumulated depreciation	4,887,227	3,151,218	8,038,445
Right-of-use lease asset, net of accumulated amortization	2,695	-	2,695
Total noncurrent assets	5,010,722	15,936,904	20,947,626
TOTAL ASSETS	6,295,778	17,250,391	23,546,169
DEFERRED OUTFLOWS OF RESOURCES			
Pension related items	36,359	31,870	68,229
LIABILITIES			
Current liabilities:			
Accounts payable	67,555	754,006	821,561
Accrued interest payable	1,453	334,990	336,443
Accrued compensated absences	5,476	5,652	11,128
Line of credit	-	1,983,232	1,983,232
Current portion of right-of-use lease liability	1,360	-	1,360
Current portion of bond payable	81,874	-	81,874
Total current liabilities	157,718	3,077,880	3,235,598
Noncurrent liabilities:			
Bonds payable, net of current portion	262,377	-	262,377
Right-of-use lease liability, net of current portion	1,373	-	1,373
DEQ loan payable, net of current portion	-	2,487,624	2,487,624
Net pension liability	128,574	112,699	241,273
Total noncurrent liabilities	392,324	2,600,323	2,992,647
TOTAL LIABILITIES	550,042	5,678,203	6,228,245
DEFERRED INFLOWS OF RESOURCES			
Unavailable tax revenue	386,785	-	386,785
Deferred grant revenue	63,184	160,000	223,184
Pension related items	869	761	1,630
Total deferred inflows of resources	450,838	160,761	611,599
NET POSITION			
Net investment in capital assets	4,663,738	11,466,048	16,129,786
Restricted:			
Capital projects	28,745	-	28,745
Debt service	8,324	-	8,324
Unrestricted	630,450	(22,751)	607,699
TOTAL NET POSITION	$ 5,331,257	$ 11,443,297	$ 16,774,554

STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2024

		Program Revenues			Net Revenues (Expenses) and Changes in Net Position		
					Primary Government		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
FUNCTIONS/PROGRAMS							
Governmental activities:							
General government	229,720	-	-	-	(229,720)	-	(229,720)
Public safety	44,440	-	-	-	(44,440)	-	(44,440)
Highways and streets	470,580	-	-	187,000	(283,580)	-	(283,580)
Culture and recreation	101,774	-	-	-	(101,774)	-	(101,774)
Sanitation	180,973	192,662	-	-	11,689	-	11,689
Capital outlay	19,013	-	-	-	(19,013)	-	(19,013)
Interest on long-term debt	13,834	-	-	-	(13,834)	-	(13,834)
Amortization	1,348	-	-	-	(1,348)	-	(1,348)
Total governmental activities	1,061,682	192,662	-	187,000	(682,020)	-	(682,020)
Business-type activities:							
Water	352,163	337,043	-	78,073	-	62,953	62,953
Sewer	297,885	318,442	-	5,897,499	-	5,918,056	5,918,056
Total business-type activities	650,048	655,485	-	5,975,572	-	5,981,009	5,981,009
Total	$ 1,711,730	$ 848,147	$ -	$ 6,162,572	(682,020)	5,981,009	5,298,989
General Revenues							
Taxes					421,970	-	421,970
Intergovernmental					211,904	-	211,904
Interest earnings					16,491	25,340	41,831
Miscellaneous income					79,550	14,040	93,590
Gain on extinguishment of debt					-	1,482,417	1,482,417
Total general revenues					729,915	1,521,797	2,251,712
Change in net position					47,895	7,502,806	7,550,701
Net position - beginning					5,283,362	3,940,491	9,223,853
Net position - ending					$ 5,331,257	$ 11,443,297	$ 16,774,554

GOVERNMENTAL FUNDS
BALANCE SHEET
September 30, 2024

	General Fund	Street Fund	Parks and Recreation Fund	Debt Service Fund	Total Governmental Funds
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
Assets:					
Cash	58,154	-	6,090	6,381	70,625
Investments	534,627	166,715	14,539	-	715,881
Taxes receivable	1,514	3,002	1,385	1,943	7,844
Unbilled taxes receivable	74,605	149,915	68,855	93,410	386,785
Due from other funds	39,577	-	-	-	39,577
Other receivables:					
Due from other governments	14,126	27,471	6,000	-	47,597
Customer accounts	22,443	-	-	-	22,443
Interest	2,303	737	70	-	3,110
Other	-	-	42	-	42
Prepaid items	1,984	-	-	-	1,984
Restricted assets:					
Restricted cash	28,745	-	-	-	28,745
Total assets	778,078	347,840	96,981	101,734	1,324,633
Deferred outflows of resources	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 778,078	$ 347,840	$ 96,981	$ 101,734	$ 1,324,633
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE					
Liabilities:					
Due to other funds	-	39,577	-	-	39,577
Accounts payable	47,890	18,133	1,532	-	67,555
Total liabilities	47,890	57,710	1,532	-	107,132
Deferred inflows of resources:					
Deferred revenue	1,304	2,586	1,193	1,674	6,757
Deferred grant revenue	17,568	35,616	10,000	-	63,184
Unavailable tax revenue	74,605	149,915	68,855	93,410	386,785
Total deferred inflows of resources	93,477	188,117	80,048	95,084	456,726
Fund balance:					
Nonspendable	1,984	-	-	-	1,984
Restricted:					
Capital projects	28,745	-	-	-	28,745
Debt service	-	-	-	6,650	6,650
Unassigned	605,982	102,013	15,401	-	723,396
Total fund balance	636,711	102,013	15,401	6,650	760,775
TOTAL LIABILITIES, DEFERRED INFLOWS OF AND FUND BALANCE	$ 778,078	$ 347,840	$ 96,981	$ 101,734	$ 1,324,633

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO NET POSITION OF GOVERNMENTAL ACTIVITIES
September 30, 2024

Total fund balances - governmental funds		760,775
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 as assets in governmental funds.		
Cost of capital assets	6,155,768	
Accumulated depreciation	(1,147,741)	
		5,008,027
Right-of-use lease assets used in governmental activities are not financial resources and therefore are not reported as assets in government funds.		
Cost of right-of-use lease assets	6,739	
Accumulated amortization	(4,044)	
		2,695
Property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the funds.		6,757
Certain pension related items are recorded as deferred outflow or inflow of resources and recognized in future periods for governmental activities.		
Deferred outflow of resources		36,359
Deferred inflow of resources		(869)
Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the government fund financial statements, an interest expenditure is reported when paid.		(1,453)
Long-term liabilities 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 the following:		
Right-of-use lease liability		(2,733)
Bond payable		(344,251)
Accrued compensated absences		(5,476)
Net pension liability		(128,574)
Total net position - governmental activities		$ 5,331,257

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the Year Ended September 30, 2024

	General Fund	Street Fund	Parks and Recreation Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Taxes	72,842	182,857	65,005	96,806	417,510
Licenses and permits	22,660	-	17,300	-	39,960
Intergovernmental	70,561	135,343	6,000	-	211,904
Charges for services	192,662	-	-	-	192,662
Grant income	-	187,000	-	-	187,000
Interest earnings	10,674	4,082	676	1,059	16,491
Miscellaneous income	1,430	36,847	1,313	-	39,590
Total revenues	370,829	546,129	90,294	97,865	1,105,117
EXPENDITURES					
General government	194,799	-	-	-	194,799
Public safety	28,112	-	-	-	28,112
Highways and streets	-	252,905	-	-	252,905
Culture and recreation	-	-	78,179	-	78,179
Sanitation	180,973	-	-	-	180,973
Capital outlay	16,119	236,705	20,244	-	273,068
Debt service:					
Principal	1,348	-	-	79,220	80,568
Interest	32	-	-	14,137	14,169
Total expenditures	421,383	489,610	98,423	93,357	1,102,773
Net change in fund balance	(50,554)	56,519	(8,129)	4,508	2,344
Fund balance - beginning	687,265	45,494	23,530	2,142	758,431
Fund balance - ending	$ 636,711	$ 102,013	$ 15,401	$ 6,650	$ 760,775

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2024

Net change in fund balances - total governmental funds		2,344
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized and allocated over their estimated useful lives as annual depreciation expense in the statement of activities:		
Capital outlays	254,055	
Depreciation expense	(268,477)	
		(14,422)
Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the government fund financial statements, an interest expenditure is recorded when due.		335
Capital outlays to lease right-of-use lease assets are reported in governmental funds as expenditures. However, in the Statement of Activities the cost of these assets are allocated over their estimated useful lives and reported as amortization expense.		
Amortization expense	(1,348)	
		(1,348)
Net pension (asset) liability adjustments:		
Fiscal year 2023 employer PERSI contributions recognized as pension expense in the current year	(3,735)	
Fiscal year 2024 employer PERSI contributions deferred to subsequent year	4,589	
Pension related amortization expense	(25,143)	
		(24,289)
Compensated absences are accrued and expensed in the statements of net position and activities. However, in the governmental funds, the accrual and expense did not meet the same criteria.		247
Repayment of long-term debt obligations is an expenditure in the governmental funds, but the repayment reduces liabilities in the statement of net position.		
Bond payable		79,220
Lease payment		1,348
Some property taxes will not be collected for several months after the City's fiscal year ends and they are not considered as "available" revenues in the governmental funds. Instead they are counted as deferred tax revenues. They are, however, recorded as revenues in the statement of activities.		4,460
Net change in net position - governmental activities		$ 47,895

PROPRIETARY FUNDS
STATEMENT OF NET POSITION
September 30, 2024

	Water Fund	Sewer Fund	Total
ASSETS			
Current assets:			
Cash	119,066	45,869	164,935
Investments	429,818	654,390	1,084,208
Receivables:			
Grant receivable	4,150	-	4,150
Other receivables	1,671	2,815	4,486
Customer accounts	19,644	34,304	53,948
Prepaid items	1,760	-	1,760
Total current assets	576,109	737,378	1,313,487
Noncurrent assets:			
Land	53,699	740,795	794,494
Construction in progress	56,318	11,934,874	11,991,192
Buildings	17,963	101,102	119,065
Equipment	72,350	70,611	142,961
Utility systems	3,557,530	719,636	4,277,166
Less: accumulated depreciation	(957,043)	(430,931)	(1,387,974)
Total noncurrent assets	2,800,817	13,136,087	15,936,904
TOTAL ASSETS	3,376,926	13,873,465	17,250,391
DEFERRED OUTFLOWS OF RESOURCES			
Pension related items	16,709	15,161	31,870
LIABILITIES			
Current liabilities:			
Accounts payable	13,398	740,608	754,006
Accrued interest	161,452	173,538	334,990
Accrued compensated absences	2,829	2,823	5,652
Line of credit	1,983,232	-	1,983,232
Total current liabilities	2,160,911	916,969	3,077,880
Noncurrent liabilities:			
DEQ loan, net of current portion	-	2,487,624	2,487,624
Net pension liability	59,088	53,611	112,699
Total noncurrent liabilities	59,088	2,541,235	2,600,323
TOTAL LIABILITIES	2,219,999	3,458,204	5,678,203
DEFERRED INFLOWS OF RESOURCES			
Deferred grant revenue	80,000	80,000	160,000
Pension related items	399	362	761
Total deferred inflows of resources	80,399	80,362	160,761
NET POSITION			
Net investment in capital assets	817,585	10,648,463	11,466,048
Unrestricted	275,652	(298,403)	(22,751)
Total net position	$ 1,093,237	$ 10,350,060	$ 11,443,297

PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Year Ended September 30, 2024

	Water Fund	Sewer Fund	Total
OPERATING REVENUES			
Charges for services	324,783	308,442	633,225
Hookup and connection fees	12,260	10,000	22,260
Miscellaneous income	5,088	8,952	14,040
Total operating revenues	342,131	327,394	669,525
OPERATING EXPENSES			
Salaries, benefits and taxes	102,879	93,777	196,656
Insurance	4,588	4,588	9,176
Utilities	29,174	4,967	34,141
Repairs and maintenance	5,128	25,436	30,564
Supplies	5,165	3,114	8,279
Testing	15,365	21,530	36,895
Travel, meetings and training	383	493	876
Office supplies	7,425	7,201	14,626
Telephone	1,002	821	1,823
Equipment rental	725	4,576	5,301
Professional fees	7,765	7,797	15,562
Depreciation	68,390	25,090	93,480
Total operating expenses	247,989	199,390	447,379
Operating income (loss)	94,142	128,004	222,146
NON-OPERATING REVENUES (EXPENSES)			
Interest earnings	9,608	15,732	25,340
Interest expense	(104,174)	(98,495)	(202,669)
Gain on extinguishment of debt	-	1,482,417	1,482,417
Grant income	78,073	5,897,499	5,975,572
Total non-operating revenues (expenses)	(16,493)	7,297,153	7,280,660
Change in net position	77,649	7,425,157	7,502,806
Net position - beginning of year	1,015,588	2,924,903	3,940,491
Net position - end of year	$ 1,093,237	$ 10,350,060	$ 11,443,297

PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
For the Year Ended September 30, 2024

	Water Fund	Sewer Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	339,347	323,786	663,133
Cash payments to suppliers for goods and services	(115,654)	(80,246)	(195,900)
Cash payments to employees for services	(104,652)	(94,629)	(199,281)
Net cash flows provided by (used in) operating activities	119,041	148,911	267,952
CASH FLOWS FROM INVESTING ACTIVITIES			
Earnings on idle cash and investments	9,608	15,732	25,340
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Cash received from long-term debt	503,027	2,532,779	3,035,806
Cash received from grants	76,729	6,913,642	6,990,371
Cash paid for purchase of capital assets	(111,806)	(9,405,690)	(9,517,496)
Net cash provided by (used in) capital and related financing activities	467,950	40,731	508,681
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Cash (received) paid to other funds	(48,447)	494,885	446,438
Net increase (decrease) in cash and cash equivalents	548,152	700,259	1,248,411
Cash and cash equivalents - beginning of year	732	-	732
Cash and cash equivalents - end of year	$ 548,884	$ 700,259	$ 1,249,143
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES			
Operating (loss) income	94,142	128,004	222,146
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	68,390	25,090	93,480
Change in pension related items:			
Deferred outflows of resources	14,154	12,552	26,706
Deferred inflows of resources	(833)	(744)	(1,577)
Decrease (increase) in assets:			
Accounts receivable	(1,116)	(793)	(1,909)
Other receivables	(1,668)	(2,815)	(4,483)
Prepaid items	(1,760)	-	(1,760)
Increase (decrease) in liabilities:			
Accounts payable	(37,174)	277	(36,897)
Accrued compensated absences	(2,425)	(1,837)	(4,262)
Net pension liability	(12,669)	(10,823)	(23,492)
Net cash provided by (used in) operating activities	$ 119,041	$ 148,911	$ 267,952
Supplemental Information:			
Non-cash investing/financing activities			
Extinguishment of debt (DEQ loan)	$ -	$ 1,482,417	$ 1,482,417

NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

NOTE 1 Significant Accounting Policies

City of Genesee, Idaho was incorporated October 18, 1889. The City operates under a Mayor - Council form of government and provides services as authorized by Title 50 of the Idaho Code.

The financial statements of City of Genesee, Idaho have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below:

Reporting Entity

City of Genesee, Idaho is the basic level of government, which has financial accountability, and control over all activities related to the activities within the City. The Council receives funding from local, state and federal government sources and must comply with the requirements of these funding source entities. However, the City is not included in any other governmental "reporting entity" as defined by GASB pronouncements, since Council members are elected by the public and have decision making authority, the authority to levy taxes, the power to designate management, the ability to significantly influence operations and have primary financial accountability for fiscal matters.

Component units are legally separate organizations for which the City is financially accountable. Component units may also include organizations that are fiscally dependent on the City in that the City approves their budget, the issuance of their debt, or levying of taxes. There are no organizations that meet the definition of a component unit.

Basis of Presentation, Fund Accounting

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the primary government. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of net position presents the City's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference reported as net position. Net position is reported in three categories:

Net investment in capital assets consists of capital assets, net of accumulated depreciation and related debt.

NOTE 1 Significant Accounting Policies (Continued)

Restricted net position consists of net position that has constraints placed on its use externally by grant provisions or law. Assigned net position is further classified as either net position restricted by enabling legislation or net position that is otherwise restricted.

Unrestricted net position consists of net position that does not meet the definition of the two preceding categories. Unrestricted net position often has constraints on resources that are imposed by management, but can be removed or modified.

The statement of activities demonstrates the degree to which the direct expenses of a given function (governmental activities) or identifiable activity (business-type activities) is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or activity. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or activity; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or activity. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Property taxes, franchise fees, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major funds:

Governmental Funds

- The general fund is the City's primary operating fund. It accounts for all financial resources of general government, except those required to be accounted for in another fund. General fund activities are financed by revenue from general property taxes, state-shared revenue, and other sources.

- The street fund is responsible for the construction and maintenance of streets and traffic services within the City.

- The parks and recreation fund accounts for the costs of maintaining and improving park facilities, recreational programs, and community center operations in the City.

- The debt service fund accounts for restricted funds that are used to make the principal and interest payments for outstanding general obligation bonds.

NOTE 1 Significant Accounting Policies (Continued)

Proprietary Funds

- The water fund accounts for the results of operations that provide water services to citizens and is financed by a user charge for the provision of those services.

- The sewer fund accounts for the results of operations that provide sewer services to citizens and is financed by a user charge for the provision of those services.

Amounts reported as program revenue include (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Likewise, general revenue includes all taxes.

Proprietary funds distinguish operating revenue and expenses from non-operating items. The principal operating revenue of the City's proprietary funds relates to charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenue and expenses.

Basis of Accounting

The government-wide 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. Non-exchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, including property taxes, grants, and donations. On an accrual basis, revenue from property taxes 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 compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds.

Under the terms of grant agreements, the City funds certain programs by cost-reimbursement grants and general revenues. When program expenses are incurred, the related revenue of cost-reimbursement grants is recognized.

NOTE 1 Significant Accounting Policies (Continued)

Restricted Resources

The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Statement of Cash Flows

For the purposes of the Statement of Cash Flows, the City considers its investment in the LGIP and all highly liquid debt instruments with a maturity of three months or less to be cash equivalents.

Investments

Investments are deposited in the Idaho State Treasurer's Local Government Investment Pool, which allow special districts within the State of Idaho to pool their funds for investment purposes.

Interest income is defined as non-operating revenue.

Deposits in State Treasurer's local government investment pool are stated at cost, which approximates market. All funds are invested in accordance with Section 67-1210 and 67-1210A of the Idaho Code. The primary objectives of the investment pool, in order of priority, are safety, liquidity and yield.

Short-term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between nonmajor funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet and statement of net position. Short-term interfund loans are classified as "interfund receivables/payables." As a general rule, the effect of interfund activity has been eliminated from the government-wide statements.

Inventory

The City does not record inventory items at year end due to the small number and values of items on hand. All supplies are recorded as expenditures in the period in which they were purchased.

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.

NOTE 1 Significant Accounting Policies (Continued)

The Council has set a capitalization threshold of $5,000. All purchases and improvements to facilities, which are not considered repairs, are capitalized and depreciated using the straight-line method in the government-wide statements.

Buildings and improvements	10 - 50 years
Equipment	5 - 10 years
Vehicles	7 years

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Leases - The City evaluates each lease agreement at the time of inception to determine the reporting requirements of each lease. Leases that met the definition of a right-of-use (ROU) lease are included as ROU lease assets and ROU lease liabilities on the government-wide financial statements.

ROU assets represent the City's right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of the leases do not provide an implicit rate, the City's incremental borrowing rate, based on the information available at commencement date, is used to determine the present value of lease payments. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the option(s) will be exercised. Lease expense for lease payments is recognized on a straight-line basis over the lease term. Leases with a maximum term of 12 months or less are excluded from the ROU asset and liability amounts.

Subscription-based Information Technology Arrangements (SBITA) - The City evaluates each subscription at the time of inception to determine the reporting requirements of each subscription. SBITAs that met the definition of a right-of-use (ROU) agreement are included as SBITA ROU assets and SBITA ROU liabilities on the government-wide financial statements.

ROU assets represent the City's right to use an underlying IT asset for the IT contract term and ROU liabilities represent the obligation to make lease payments arising from the contract. SBITA ROU assets and liabilities are recognized at commencement date based on the present value of contact payments over the IT contract term. As most of the contracts do not provide an implicit rate, the City's incremental borrowing rate, based on the information available at commencement date, is used to determine the present value of contract payments. The IT contract terms may include options to extend or terminate the contract when it is reasonably certain that the option(s) will be exercised. SBITA expense for contract payments is recognized on a straight-line basis over the contract term. IT contracts with a maximum term of 12 months or less are excluded from the SBITA ROU asset and liability amounts.

NOTE 1 Significant Accounting Policies (Continued)

Encumbrances

The City does not follow the practice of encumbering funds at year end.

Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the City does not have a policy to pay any amounts when employees separate from service with the City. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements, which is a maximum of 240 hours. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Fund Balance

The *nonspendable* fund balance category includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The *restricted* fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. The *committed* fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority, City Council. Amounts in the *assigned* fund balance classification are intended to be used by the government for specific purposes based on Council designation but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. *Unassigned* fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications. The City applies committed resources, then assigned resources, then unassigned resources when an expense is incurred for purposes for which all fund balances classifications are available.

Restricted balances are as follows:

- Capital Projects – The capital projects accounts for the acquisition of capital assets or construction related to the fire station.

- Debt Service – These restricted funds are used to make the principal and interest payments for outstanding general obligation bonds.

Nonspendable balances are as follows:

- Prepaid items – Expenditures paid for in the current year determined to be related to future years.

NOTE 1 Significant Accounting Policies (Continued)

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.

Deferred Revenue

Deferred revenue in the governmental funds represent property taxes recorded but not estimated to be collected within 60 days of the end of the accounting period.

Deferred Grant Revenue

Deferred grant revenue represents grant money that has been received but not yet earned.

Unavailable Tax Revenue

Unavailable tax revenue in the general, street, parks and recreation, and debt service funds represent the property taxes levied for 2024 that is measurable but unavailable to the City, and therefore recorded as a deferred inflow of resources in both the governmental fund and the government-wide financial statements.

Pensions

For purposes of measuring the net pension (asset) liability, deferred outflows of resources and deferred inflow of resources related to pensions, 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.

Subsequent Events - Management has evaluated subsequent events through the date of the audit report. This is the date the financial statements were available to be issued. Management has concluded that no material subsequent events have occurred other than those discussed in Note 12.

NOTE 2 Recently Adopted Accounting Guidance

For the year ended September 30, 2024, there was one new GASB statement that became effective. The adoption of the statement has the following effect for the City:

NOTE 2 Recently Adopted Accounting Guidance (Continued)

GASB Statement No. 100, Accounting Changes and Error Corrections – This statement delineates required note disclosures when there is a reported accounting change or correction of an error. This statement did not have an effect on the financial reporting of the City.

NOTE 3 Stewardship, Compliance, and Accountability

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

1. The Mayor submits to the City Council 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.

2. Public hearings are conducted at the City Hall to obtain taxpayer comments. A notice of the time and place of the proposed public hearing on the budget must be published twice, at least seven days apart, in the official newspaper of the community.

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

The City Council may, at any time during the fiscal year, by using the same procedure which was used in adopting the original appropriation ordinance, amend the appropriation ordinance to a greater amount than adopted. However, this can only happen if, after the adoption of the regular appropriation ordinance, the City receives additional revenue in that fiscal year as a result of an increase in state and federal grants or allocations.

However, other than the foregoing exception, there can be no further appropriations made during the fiscal year unless the proposal to make each new appropriation has been sanctioned by two-thirds of the legal voters of the City. The voters can sanction the new appropriation by a petition signed by the number of voters equal to the majority who voted in the last general City election, or they can sanction it by a majority of favorable votes in a special election. Whichever method is used, all appropriations end with the fiscal year for which they were made.

NOTE 4 Property Tax

The City's property tax is recognized as an asset at the time the City has an enforceable legal claim to the resources (January 1st of each year) and the revenue is recognized in the period for which the taxes are levied. For FY2024, the City has recognized the 2023 levy as revenue and the tax year 2024 levy as an asset.

NOTE 4 Property Tax (Continued)

Tax Year 2023 Levy (FY2024 Revenue)

The market value upon which the 2023 levy was based was $81,634,205. The property tax was levied in October 2023 and was due in two equal installments on December 20th and June 20th.

The total tax levy (per $100 of value) for the year was as follows:

	Percentage	Amount
Levy	46.19767%	$378,170

Tax Year 2024 Levy (FY2024 Asset)

The property tax levy for 2024 has been recorded as an asset in the general, street, parks and recreations and debt service funds in the amount of $386,785 This levy is for the FY2025 operations and has been presented as unavailable property tax revenue.

Deferred Revenue

To the extent property taxes are not collected within 60 days of the end of the accounting period, a deferred revenue amount has been recorded.

Total taxes receivable at September 30, 2024	7,844
Less: Taxes estimated to be collected by the County Treasurer by November 30, 2024	(1,087)
Deferred revenue	$ 6,757

NOTE 5 Cash and Investments

Deposits

Components of cash and investments at September 30, 2024 are as follows:

	Carrying Amount	Bank Balance
Cash in checking	264,305	278,950
Total cash	$ 264,305	$ 278,950

Deposits were with Potlatch No.1 Federal Credit Union of which $250,000 is federal insured per account ownership category. Any balance in excess of the federal insurance limit is uncollateralized and unsecured.

NOTE 5 Cash and Investments (Continued)

Type and Bank	Amount	Threshold	Excess
Demand Deposits - P1FCU	211,933	250,000	-
Time and Savings - P1FCU	67,017	250,000	-
Total	$ 278,950		$ -

Investments

Detail of investments at September 30, 2024 are as follows:

Investment Maturities

	Rate	Maturing Date	Governmental	Business Type	Total
Investment in State Treasurer's Pool	Variable	-	$ 715,881	$ 1,084,208	$ 1,800,089

The State Treasurer's Local Government Investment Pool is managed by the State of Idaho Treasurer's office. All funds are invested in accordance with Section 67-1210 and 67-1210A of the Idaho Code. Authorized investments include bonds, treasury bills, interest-bearing notes, and other obligations of the U.S. Government, general obligation or revenue bonds of the State of Idaho or other local governments within the State of Idaho, bonds, debentures, or other similar obligations issued by the farm credit system or by public corporations of the State of Idaho, repurchase agreements covered by any legal investment for the State of Idaho, tax anticipation bonds or notes and income and revenue anticipation bonds or notes of taxing Districts of the State of Idaho, revenue bonds of institutions of higher education of the State of Idaho, and time deposits and savings accounts in amounts not to exceed applicable insurance limits. The primary objectives of the investment pool, in order of priority, are 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.

The State Treasurer's investment policy and the Local Government Investment Pool financial statements can be obtained by writing P.O. Box 83720, Boise, ID 83720-0091.

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover its deposits or will not be able to recover collateral securities that are in possession of an outside party. Custodial credit risk for investments is the risk that in the event of the failure of the counter party (e.g. broker-dealer) to a transaction, the City will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The City does not have a policy restricting the amount of deposits and investments subject to custodial credit risk.

NOTE 5 Cash and Investments (Continued)

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization such as Moody's or Standard & Poor's. The investments of the City at year-end are not required to be rated. The City does not have a policy regarding credit risk.

Interest rate risk is the risk that changes in market interest rates will adversely impact the fair value of an investment. Investments that are fixed for longer periods are likely to experience greater variability in their fair values due to future changes in interest rate. At year-end, the City is not subject to interest rate risk as all investments are held in the State Treasurer's Local Government Investment Pool, which has a maturity of 106 days. The City does not have a policy regarding interest rate risk.

Concentration of credit risk is the risk that concentration of investments with one issuer represents heightened risk of potential loss. No specific percentage identifies when concentration risk is present. The Governmental Accounting Standards Board has adopted a principal that governments should provide note disclosure when five percent of the total investments of the entity are concentrated in any one issuer. Investments in obligations specifically guaranteed by the U.S. government, mutual funds, and other pooled investments are exempt from disclosure. The City does not have a policy limiting the amount it may invest in any one issuer.

NOTE 6 Pension Plan

In accordance with GASB 68, *Accounting and Financial Reporting for Pensions*, which became effective for the year ended September 30, 2015, the financial reporting and note disclosures are based off the most recent audited financial statements of PERSI, which was completed for the period ended June 30, 2024. All amounts are as of June 30, 2024 unless otherwise noted.

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.

NOTE 6 Pension Plan (Continued)

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. Amounts in parenthesis represent police/firefighters.

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

Member and Employer Contributions

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

The contribution rates for employees are set by stature at 60% (72%) of the employer rate. As of September 30, 2024 it was 7.18% (10.83%). The employer contribution rate is set by the Retirement Board and was 11.96% (14.65%) of covered compensation. The City's employer contributions required and paid were $35,887 for 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 reported an (asset) liability of $241,273 for its proportionate share of the net pension (asset) liability as of June 30, 2024. The net pension (asset) liability was measured as of June 30, 2024, and the total pension (asset) liability used to calculate the net pension (asset) liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension (asset) 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 0.00645001%.

NOTE 6 Pension Plan (Continued)

The City's pension expense (revenue) is calculated and made available as part of PERSI's annual audit. The pension expense (revenue) for the year ended June 30, 2024 was calculated at $69,390.

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	38,413	-
Changes in assumptions or other inputs	9,558	-
Net difference between projected and actual earning on pension plan investments	4,379	-
Changes in proportionate share	7,267	1,630
Employer contributions subsequent to the measurement date	8,612	-
Total	$68,229	$1,630

$8,612 reported as deferred outflow of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension (asset) liability in the year ending September 30, 2025.

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 Ending June 30:	Amount to be Recognized
2025	11,908
2026	44,986
2027	(7,758)
2028	(5,545)
2029	14,396

NOTE 6 Pension Plan (Continued)

Actuarial Assumptions

The following are the actuarial assumptions and the entry age normal cost method, applied to all periods included in the measurement:

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

Several different sets of mortality rates are used in the valuation for contributing members, members retired for service and beneficiaries. These rates were adopted for the valuation dated July 1, 2021.

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 and Police active member deaths are assumed to be duty related. This Assumption was adopted July1, 2021.
Disabled Members - Males	Pub-2010 Disabled Tables, increased 38%.
Disabled Members - Females	Pub-2010 Disabled Tables, increased 36%.

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. 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 PERSI'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.

NOTE 6 Pension Plan (Continued)

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 (asset) 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) liability. The long-term expected rate of return was determined net of pension plan investment expense but without reduction for administrative expense.

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

The following presents the net pension (asset) liability of PERSI employer's calculated using the discount rate of 6.35% as well as what the employer's (asset) 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%)
Employer's proportionate share of the net pension (asset) liability	$458,492	$241,272	$63,859

Pension plan fiduciary net position

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

NOTE 6 Pension Plan (Continued)

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

Payables to the pension plan

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

NOTE 7 Long-Term Debt

The following is a summary of long-term debt transactions of the City for the year ended September 30, 2024:

	Beginning Balance	Additions	Reductions	Ending Balance	Within One Year	Noncurrent Portion
Bond	423,471	-	(79,220)	344,251	81,874	262,377
Line of credit	1,480,205	503,027	-	1,983,232	1,983,232	-
DEQ loan	1,437,272	2,532,779	(1,482,427)	2,487,624	-	2,487,624
Totals	$ 3,340,948	$3,035,806	$(1,561,647)	$ 4,815,107	$2,065,106	$ 2,750,001

Revenue bonds payable at September 30, 2024 are comprised of the following individual issues:

$753,688 bond due in monthly installments commencing February 15, 2020, interest is stated at 3.35%	$ 344,251

The General Obligation Bond in the original amount of $753,688 with annual payments of $93,409, including interest at 3.3%, maturing August 15, 2028.

General Obligation Bond

Year Ended September 30,	Principal	Interest	Total
2025	81,874	11,535	93,409
2026	84,617	8,792	93,409
2027	87,452	5,957	93,409
2028	90,308	3,101	93,409
Totals	$ 344,251	$ 29,385	$ 373,636

City of Genesee approved a Sewer Revenue Bond of $6,200,000 on November 5, 2019. The proceeds of the revenue bond is intended to be used to construct and install certain additions, replacements, improvements and betterments to the City's wastewater treatment and

NOTE 7 Long-Term Debt (Continued)

collection system. The estimated cost of the acquisition is approximately $7,188,000, of which up to $6,200,000 will be paid out of the proceeds from the bond. The City has financed the project through Idaho Department of Environment Quality (DEQ) and DEQ will provide up to $913,298 of principal forgiveness. In August 2021, the City was notified as a recipient of $1,000,000 of additional principal forgiveness resulting from Building Idaho's Future initiative passed by the State of Idaho. In FY2024, the City received $2,532,779 in financing and $1,482,427 of forgiveness. The interest rate on the sewer bonds is 1.75% per annum. The bonds will be repaid in biannual installments over a period of thirty (30) years. The City has designated $284,209 of sewer project fees collected as of September 30, 2024 to be used towards future bond payments.

City of Genesee approved a Water Revenue Bond of $3,500,000 on November 3, 2020. The proceeds of the revenue bond are intended to be used for the purpose of acquiring, constructing, repairing, replacing, and installing certain additions and betterments to the City's water system. The estimated cost of the acquisition is approximately $4,800,000, of which up to $3,500,000 will be paid out of the proceeds from the bond. The City has financed the project through United States Department of Agriculture (USDA). While in the construction phase, the City has obtained a line of credit (LOC) with P1FCU. At the end of the construction phase, USDA will fund the project and the LOC will be repaid. The interest rate on the water bond will be 2.125% per annum. The bond shall mature over a period of not to exceed forty (40) years. The City has designated $110,501 of user fees collected as of September 30, 2024 to be used towards future bond payments.

City of Genesee obtained a secured line of credit (LOC) from Potlatch No. 1 Financial Credit Union (P1FCU) during the year ended September 30, 2021. The LOC is secured by future revenue bond proceeds. The LOC has a maximum credit amount of $3,500,000, and the balance as of September 30, 2024 was $1,983,232.

NOTE 8 Capital Assets

Capital asset activity of the City's governmental and business-type activities as of September 30, 2024 are as follows:

	Beginning Balance	Additions	Transfers	Deletions	Ending Balance
Governmental Activities:					
Capital assets not being depreciated					
Land	120,800	-	-	-	120,800
Construction in progress	10,590	235,055	(245,645)	-	-
Subtotal	131,390	235,055	(245,645)	-	120,800
Capital assets being depreciated/amortized					
Buildings	911,015	-	-	-	911,015
Improvements other than buildings	4,311,317	19,000	245,645	(5,219)	4,570,743
Equipment	562,945	-	-	(9,735)	553,210
Right-of-use lease assets	6,739	-	-	-	6,739
Subtotal	5,792,016	19,000	245,645	(14,954)	6,041,707
Accumulated depreciation/amortization					
Buildings	(135,380)	(22,654)	-	-	(158,034)
Improvements other than buildings	(384,626)	(217,941)	-	5,219	(597,348)
Equipment	(374,212)	(27,882)	-	9,735	(392,359)
Right-of-use lease assets	(2,696)	(1,348)	-	-	(4,044)
Subtotal	(896,914)	(269,825)	-	14,954	(1,151,785)
Net capital assets being depreciated/amortized	4,895,102	(250,825)	-	-	4,889,922
Net capital assets	$ 5,026,492	$ (15,770)	$ -	$ -	$ 5,010,722

NOTE 8 Capital Assets (Continued)

	Beginning Balance	Additions	Transfers	Deletions	Ending Balance
Business-type Activities:					
Capital assets not being depreciated					
Land	794,494	-	-	-	794,494
Construction in progress	4,908,553	9,270,592	(2,187,953)	-	11,991,192
Subtotal	5,703,047	9,270,592	(2,187,953)	-	12,785,686
Capital assets being depreciated					
Buildings	119,065	-	-	-	119,065
Improvements other than buildings	2,036,469	52,744	2,187,953	-	4,277,166
Equipment	146,215	-	-	(3,254)	142,961
Subtotal	2,301,749	52,744	2,187,953	(3,254)	4,539,192
Accumulated depreciation					
Buildings	(107,083)	(847)	-	-	(107,930)
Improvements other than buildings	(1,091,959)	(82,723)	-	-	(1,174,682)
Equipment	(98,706)	(9,910)	-	3,254	(105,362)
Subtotal	(1,297,748)	(93,480)	-	3,254	(1,387,974)
Net capital assets being depreciated	1,004,001	(40,736)	2,187,953	-	3,151,218
Net capital assets	$ 6,707,048	$ 9,229,856	$ -	$ -	$ 15,936,904

NOTE 9 Risk Management/Insurance

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters for which the City carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

NOTE 10 Interfund Receivables, Payables and Transfers

Generally accepted accounting principles require disclosure of certain information concerning nonmajor funds including:

The composition of interfund receivables and payables as of September 30, 2024 are as follows:

	Due from Other Funds	Due to Other Funds
General Fund	39,577	-
Street Fund	-	39,577
	$ 39,577	$ 39,577

NOTE 11 Right-of-Use Lease Asset/Liability

The City entered into a lease agreement to lease a copier on September 22, 2021 for 60 months ending on September 22, 2026 with a discount rate of 0.93% based on the estimated incremental borrowing rate determined by the City. The lease requires monthly payments of $115.

During the year ended September 30, 2024, the following changes occurred in right-of-use lease assets:

	Beginning of Year	Additions	Modifications & Remeasurements	Subtractions	End of Year
Right-of-Use Lease Assets					
Copiers	6,739	-	-	-	6,739
Less: accumulated amortization					
Copiers	(2,696)	(1,348)	-	-	(4,044)
Total Right-of-Use Lease Assets, net	$ 4,043	$ (1,348)	$ -	$ -	$ 2,695

Total lease expense for the year ended September 30, 2024 is as follows:

Lease expense	
Amortization expense by class of underlying asset	
Copier	1,348
Total amortization expense	1,348
Interest on lease liabilities	32
Total	$ 1,380

During the year ended September 30, 2024, the following changes occurred in the right-of-use lease liability:

	Beginning of Year	Additions	Modifications & Remeasurements	Subtractions	End of Year	Amounts Due Within One Year
Right-of-Use Lease Liabilities						
Copier	$ 4,081	$ -	$ -	$ (1,348)	$ 2,733	$ 1,360

Future minimum annual payments as of September 30, 2024 are as follows:

FY Ending September 30,	Principal	Interest	Total Payments
2025	1,360	20	1,380
2026	1,373	7	1,380
Total Future Payments	$ 2,733	$ 27	$ 2,760

NOTE 12 Subsequent Events

In October 2024, the City sold the revenue bonds for $3,500,000 and paid off the P1FCU line of credit principal balance of $1,983,232 and accrued interest of $167,429.

REQUIRED SUPPLEMENTARY INFORMATION

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended September 30, 2024

	Original Budget	Final Budget	Actual	Variances Favorable (Unfavorable) Original to Actual	Variances Favorable (Unfavorable) Final to Actual
REVENUES					
Taxes	73,168	73,168	72,842	(326)	(326)
Licenses and permits	23,835	23,835	22,660	(1,175)	(1,175)
Intergovernmental	71,000	71,000	70,561	(439)	(439)
Charges for services	191,200	191,200	192,662	1,462	1,462
Interest earnings	600	600	10,674	10,074	10,074
Miscellaneous income	11,700	11,700	1,430	(10,270)	(10,270)
TOTAL REVENUES	371,503	371,503	370,829	(674)	(674)
EXPENDITURES					
General government:					
Salaries, employee benefits, and taxes	104,700	104,700	105,249	(549)	(549)
Professional fees	25,000	25,000	16,071	8,929	8,929
Office and general supplies	37,000	37,000	24,217	12,783	12,783
Custodial services	3,000	3,000	2,500	500	500
Building inspections	14,000	14,000	12,954	1,046	1,046
Travel and meetings	3,000	3,000	1,224	1,776	1,776
Insurance	6,000	6,000	8,495	(2,495)	(2,495)
Utilities and telephone	8,500	8,500	5,678	2,822	2,822
Repairs and maintenance	35,500	35,500	7,498	28,002	28,002
Community days	13,200	13,200	10,648	2,552	2,552
Miscellaneous	1,800	1,800	265	1,535	1,535
Total general government	251,700	251,700	194,799	56,901	56,901
Public safety:					
Contracted services	14,400	14,400	15,600	(1,200)	(1,200)
Drills and training	3,000	3,000	1,480	1,520	1,520
Insurance	6,000	6,000	6,000	-	-
Repairs and maintenance	14,000	14,000	5,032	8,968	8,968
Total public safety	37,400	37,400	28,112	9,288	9,288
Sanitation	189,000	189,000	180,973	8,027	8,027
Capital outlay	15,700	15,700	16,119	(419)	(419)
Debt service:					
Principal	-	-	1,348	(1,348)	(1,348)
Interest	-	-	32	(32)	(32)
Total debt service	-	-	1,380	(1,380)	(1,380)
TOTAL EXPENDITURES	493,800	493,800	421,383	72,417	72,417
Net change in fund balance	$ (122,297)	$ (122,297)	(50,554)	$ 71,743	$ 71,743
Fund balance - beginning			687,265		
Fund balance - ending			$ 636,711		

STREET FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended September 30, 2024

	Original Budget	Final Budget	Actual	Variances Favorable (Unfavorable) Original to Actual	Variances Favorable (Unfavorable) Final to Actual
REVENUES					
Taxes	180,650	180,650	182,857	2,207	2,207
Intergovernmental	119,000	119,000	135,343	16,343	16,343
Grant income	250,000	250,000	187,000	(63,000)	(63,000)
Interest earnings	215	215	4,082	3,867	3,867
Miscellaneous income	34,000	34,000	36,847	2,847	2,847
Total revenues	583,865	583,865	546,129	(37,736)	(37,736)
EXPENDITURES					
Highways and streets:					
Salaries, employee benefits, and taxes	84,500	84,500	81,294	3,206	3,206
Professional and contracted services	7,500	7,500	4,870	2,630	2,630
Office and general supplies	5,000	5,000	4,561	439	439
Street maintenance	180,065	180,065	137,685	42,380	42,380
Insurance	6,000	6,000	4,588	1,412	1,412
Training and travel	500	500	-	500	500
Supplies	20,000	20,000	3,063	16,937	16,937
Utilities and telephone	6,000	6,000	4,824	1,176	1,176
Repairs and maintenance	19,300	19,300	12,020	7,280	7,280
Total highways and streets	328,865	328,865	252,905	75,960	75,960
Capital outlay	255,000	255,000	236,705	18,295	18,295
Total expenditures	583,865	583,865	489,610	94,255	94,255
Net change in fund balance	$ -	$ -	56,519	$ 56,519	$ 56,519
Fund balance - beginning			45,494		
Fund balance - ending			$ 102,013		

PARKS AND RECREATION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended September 30, 2024

	Original Budget	Final Budget	Actual	Variances Favorable (Unfavorable) Original to Actual	Variances Favorable (Unfavorable) Final to Actual
REVENUES					
Taxes	66,680	66,680	65,005	(1,675)	(1,675)
Intergovernmental	6,000	6,000	6,000	-	-
Licenses and permits	21,000	21,000	17,300	(3,700)	(3,700)
Miscellaneous	5,000	5,000	1,313	(3,687)	(3,687)
Interest earnings	50	50	676	626	626
Total revenues	98,730	98,730	90,294	(8,436)	(8,436)
EXPENDITURES					
Culture and recreation:					
Salaries, employee benefits, and taxes	26,800	26,800	30,516	(3,716)	(3,716)
Office and general supplies	13,000	13,000	19,112	(6,112)	(6,112)
Ground maintenance	14,100	14,100	6,962	7,138	7,138
Insurance	500	500	500	-	-
Utilities	22,000	22,000	16,965	5,035	5,035
Repairs and maintenance	4,000	4,000	4,124	(124)	(124)
Miscellaneous	550	550	-	550	550
Total culture and recreation	80,950	80,950	78,179	2,771	2,771
Capital outlay	31,280	31,280	20,244	11,036	11,036
Total expenditures	112,230	112,230	98,423	13,807	13,807
Excess (deficiency) of revenue over (under) expenditures	(13,500)	(13,500)	(8,129)	5,371	5,371
Other financing sources (uses)					
Transfer in (out)	13,500	13,500	-	(13,500)	(13,500)
Net change in fund balance	$ -	$ -	(8,129)	$ (8,129)	$ (8,129)
Fund balance - beginning			23,530		
Fund balance - ending			$ 15,401		

DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended September 30, 2024

	Original Budget	Final Budget	Actual	Variances Favorable (Unfavorable) Original to Actual	Variances Favorable (Unfavorable) Final to Actual
REVENUES					
Taxes	96,865	96,865	96,806	(59)	(59)
Interest earnings	-	-	1,059	1,059	1,059
Total revenues	96,865	96,865	97,865	1,000	1,000
EXPENDITURES					
Debt service:					
Principal	79,220	79,220	79,220	-	-
Interest	14,190	14,190	14,137	53	53
Total debt service	93,410	93,410	93,357	53	53
Net change in fund balance	$ 3,455	$ 3,455	4,508	$ 1,053	$ 1,053
Fund balance - beginning			2,142		
Fund balance - ending			$ 6,650		

CITY OF GENESEE, IDAHO
Genesee, Idaho

SCHEDULE OF THE CITY'S SHARE OF NET PENSION (ASSET) LIABILITY*
PERSI - Base Plan
As of June 30,

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Employer's portion of the net pension (asset) liability	0.00645001%	0.00634929%	0.0063706%	0.0053025%	0.0059567%	0.0057765%	0.0056912%	0.0058699%	0.0071086%	0.0077228%
Employer's proportionate share of the net pension (asset) liability	241,273	253,379	250,924	(4,188)	138,322	65,937	83,945	92,265	144,102	101,697
Employer's covered employee payroll	316,091	269,966	251,223	197,881	212,042	198,593	183,036	182,239	219,166	216,242
Employer's proportional share of the net pension (asset) liability as a percentage of its covered employee payroll	76.33%	93.86%	99.88%	-2.12%	65.23%	33.20%	45.86%	50.63%	65.75%	47.03%
Plan fiduciary net position as a percentage of the total	85.54%	83.83%	83.09%	100.36%	88.22%	93.79%	91.69%	90.68%	87.26%	91.38%

SCHEDULE OF CITY CONTRIBUTIONS*
PERSI - Base Plan
As of June 30,

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution - Class 1 Employees	35,339	32,234	29,996	23,627	25,031	22,209	20,448	20,358	24,538	24,207
Statutorily required contribution - Class 2 Employees	-	-	-	-	295	280	280	280	280	280
Total Statutorily required contribution - All employees	35,339	32,234	29,996	23,627	25,326	22,489	20,728	20,638	24,818	24,487
Contributions in relation to the statutorily required contribution	(35,339)	(32,234)	(29,996)	(23,627)	(25,326)	(22,489)	(20,728)	(20,638)	(24,818)	(24,487)
Contribution (deficiency) excess	-	-	-	-	-	-	-	-	-	-
Employer's covered employee payroll - Class 1 Employees	316,091	269,966	251,223	197,881	209,640	196,193	180,636	179,839	216,766	213,842
Employer's covered employee payroll - Class 2 Employees	-	-	-	-	2,402	2,400	2,400	2,400	2,400	2,400
Contribution as a percentage of covered employee payroll - Class 1	11.18%	11.94%	11.94%	11.94%	11.94%	11.32%	11.32%	11.32%	11.32%	11.32%
Contributions as a percentage of covered employee payroll - Class 2	13.26%	12.28%	12.28%	12.28%	12.28%	11.66%	11.66%	11.66%	11.66%	11.66%

*Data is reported is measured as of June 30, 2024.

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
As of June 30, 2024 (most recently issued PERSI information)

Change of Assumptions. There were no Change of Assumptions as of June 30, 2024.

SUPPLEMENTARY INFORMATION

WATER FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Year Ended September 30, 2024

	Actual	Budget	Variance Favorable (Unfavorable)
OPERATING REVENUES			
Charges for services	324,783	355,000	(30,217)
Hookup and connection fees	12,260	22,500	(10,240)
Miscellaneous income	5,088	2,000	3,088
Total operating revenues	342,131	379,500	(37,369)
OPERATING EXPENSES			
Salaries, benefits and taxes	102,879	120,000	17,121
Insurance	4,588	6,500	1,912
Utilities	29,174	25,000	(4,174)
Repairs and maintenance	5,128	11,400	6,272
Supplies	5,165	10,000	4,835
Testing	15,365	24,000	8,635
Travel, meetings and training	383	2,000	1,617
Office supplies	7,425	6,000	(1,425)
Telephone	1,002	900	(102)
Equipment rental	725	10,020	9,295
Professional fees	7,765	15,000	7,235
Depreciation	68,390	-	(68,390)
Total operating expenses	247,989	230,820	(17,169)
Operating income (loss)	94,142	148,680	(54,538)
NON-OPERATING REVENUES (EXPENSES)			
Interest earnings	9,608	300	9,308
Interest expense	(104,174)	-	(104,174)
Proceeds from long term debt	503,027	-	503,027
Infrastructure improvements	(130,817)	(3,327,784)	3,196,967
Grant income	78,073	3,347,784	(3,269,711)
Transfer out	-	(5,000)	5,000
Total non-operating revenues (expenses)	355,717	15,300	340,417
Change in net position	449,859	$ 163,980	$ 285,879
Net position - beginning of year	1,015,588		
Adjustments to conform with GAAP:			
Infrastructure improvements	130,817		
Proceeds from long term debt	(503,027)		
Net position - ending	$ 1,093,237		

SEWER FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Year Ended September 30, 2024

	Actual	Budget	Variance Favorable (Unfavorable)
OPERATING REVENUES			
Charges for services	308,442	308,300	142
Hookup and connection fees	10,000	24,000	(14,000)
Miscellaneous income	8,952	200	8,752
Total operating revenues	327,394	332,500	(5,106)
OPERATING EXPENSES			
Salaries, benefits and taxes	93,777	109,000	15,223
Insurance	4,588	6,500	1,912
Utilities	4,967	5,000	33
Repairs and maintenance	25,436	15,000	(10,436)
Supplies	3,114	16,000	12,886
Testing	21,530	19,000	(2,530)
Travel, meetings and training	493	2,000	1,507
Office supplies	7,201	10,000	2,799
Telephone	821	1,000	179
Equipment rental	4,576	5,600	1,024
Professional fees	7,797	12,000	4,203
Miscellaneous	-	1,000	1,000
Depreciation	25,090	-	(25,090)
Total operating expenses	199,390	202,100	2,710
Operating income (loss)	128,004	130,400	(2,396)
NON-OPERATING REVENUES (EXPENSES)			
Interest earnings	15,732	1,000	14,732
Interest expense	(98,495)	-	(98,495)
Gain on sale of asset	-	103,784	(103,784)
Grant income	5,897,499	-	5,897,499
Gain on extinguishment of debt	1,482,417	-	1,482,417
Proceeds from long term debt	2,532,779	16,000,000	(13,467,221)
Infrastructure improvements	(9,192,519)	(16,103,784)	6,911,265
Total non-operating revenues (expenses)	637,413	1,000	636,413
Change in net position	765,417	$ 131,400	$ 634,017
Net position - beginning of year	2,924,903		
Adjustments to conform with GAAP:			
Infrastructure improvements	9,192,519		
Proceeds from long term debt	(2,532,779)		
Net position - end of year	$ 10,350,060		

SINGLE AUDIT SECTION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2024

	Federal Assistance Listing Number	Federal Grant Number	Expenditures
U.S. Department of Agriculture			
Water and Waste Disposal Systems for Rural Communities			
New loans made, plus	10.760	12-029-823183941	52,744
Beginning of period loan balance, plus	10.760	12-029-823183941	1,953,239
Interest subsidies, cash, or admin cost allowance received	10.760	12-029-823183941	-
Total Water and Waste Disposal Systems for Rural Communities			2,005,983
Total U.S. Department of Agriculture			2,005,983
U.S. Department of Treasury			
Passed through Idaho Department of Environmental Quality			
COVID-19 - Coronavirus State and Local Fiscal Recovery Fund	21.027	SLFRP0142	78,073
COVID-19 - Coronavirus State and Local Fiscal Recovery Fund	21.027	SLFRP0142	5,197,499
Total Coronavirus State and Local Fiscal Recovery Fund			5,275,572
Total U.S. Department of Treasury			5,275,572
U. S. Environmental Protection Agency			
Passed through Idaho Department of Environmental Quality			
Clean Water State Revolving Fund Cluster-Cluster			
Capitalization Grants for Clean Water State Revolving Funds	66.458	WW2005	3,271,593
Total Clean Water State Revolving Fund Cluster-Cluster			3,271,593
Total U. S. Environmental Protection Agency			3,271,593
Department of Defense			
Montana, Nevada, New Mexico, Utah, Idaho, & Wyoming Environmental Infrastructure (Section 595) - ARRA	12.121	12.0	700,000
Total Department of Defense			700,000
Total Expenditures of Federal Awards			$ 11,253,148

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
September 30, 2024

NOTE 1 – Basis of Presentation

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

NOTE 2 – Summary of Significant Accounting Policies

(1) Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited to reimbursement.

(2) Pass-through entity identifying numbers are presented where available.

(3) City of Genesee, Idaho has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 3 – Balance of Loan Programs at Year End

CFDA Number	Program Name	Outstanding Balance as of September 30, 2024
10.760	Water and Waste Disposal Systems for Rural Communities	$1,983,232

NOTE 4 – Sub-Recipients

City of Genesee, Idaho did not pass any federal awards through to subrecipients.

HAYDEN ROSS

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*

The Honorable Mayor and City Council
City of Genesee, Idaho
Genesee, Idaho 83832

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 governmental activities, business-type activities, and each major fund information of City of Genesee, Idaho, as of and for the year ended September 30, 2024 and the related notes to the financial statements, which collectively comprise City of Genesee, Idaho's basic financial statements, and have issued our report thereon dated February 28, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Genesee, Idaho'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 City of Genesee, Idaho's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Genesee, 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 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. 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 were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Genesee, 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 financial statements. 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 organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Hayden Ross, PLLC

Moscow, Idaho

February 28, 2025

HAYDEN ROSS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

The Honorable Mayor and City Council
City of Genesee, Idaho
Genesee, Idaho 83832

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of City of Genesee, Idaho and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of City of Genesee, Idaho's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding City of Genesee, Idaho's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

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

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

Report on Internal Control over Compliance

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

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

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

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

Hayden Ross, PLLC

Moscow, Idaho
February 28, 2025

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2024

Section I - Summary of Auditor's Results

Financial Statements		
Type of auditor's report issued:	Unmodified	
Internal control over financial reporting:		
- material weakness(es) identified?	____ yes	__x__ no
- significant deficiency(ies) identified?	____ yes	__x__ none reported
Noncompliance material to financial statements noted?	____ yes	__x__ no
Federal Awards		
Internal control over major programs:		
- material weakness(es) identified?	____ yes	__x__ no
- significant deficiency(ies) identified?	____ yes	__x__ none reported
Type of auditor's report issued on compliance for major programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR section 200.516(a)	____ yes	__x__ no

Identification of major programs:
Reporting Requirements and Communication Considerations

CFDA Number(s)	Name of Federal Program or Cluster
21.027	Coronavirus State and Local Fiscal Recovery Fund
10.760	Water and Waste Disposal Systems for Rural Communities

Dollar threshold used to distinguish between type A and type B programs:	$750,000	
Auditee qualified as a low-risk auditee?	__x__ yes	____ no

STATUS SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND RESPONSES
For the Year Ended September 30, 2024

Finding 2023-001 Year-end Financial Close and Reporting

Condition Throughout our testing, we did not find effective internal control processes for reconciling general ledger accounts, especially at the end of the fiscal year. We discussed internal controls with management and inquired as to the controls over year-end financial closing and reporting. Based on the responses from management, we determined that no controls over year-end financial closing and reporting were in place during the year.

Status This finding has been resolved.