CITY OF GRANGEVILLE, IDAHO

Report on Audited
Basic
Financial Statements
and
Supplemental Information

For the Year Ended September 30, 2024

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Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Grangeville, 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Grangeville, 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

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

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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Grangeville, Idaho's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Grangeville, 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 Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 7 thought 14, budgetary comparison information, schedule of the City's proportionate share of the net pension liability, and schedule of City contributions on pages 50 through 54 presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Grangeville, Idaho's basic financial statements. The schedules of revenues by source, expenditures by object, and the combining nonmajor fund financial statements, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 7, 2025 on our consideration of the City of Grangeville, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Grangeville, Idaho's internal control over financial reporting and compliance.

Zwygart John & Associates, CPAs PLLC

Nampa, Idaho
March 7, 2025

City of Grangeville
Management's Discussion and Analysis
September 30, 2024

This section of the City of Grangeville's annual financial report provides a narrative overview and analysis of the City's financial performance during the year ending September 30, 2024. The information presented here should be used in conjunction with additional information furnished in the City's financial statements.

Financial Highlights

- The assets of the City of Grangeville exceeded its liabilities at the close of the most recent fiscal year by $24,193,675. Of this amount $8,548,312 was unrestricted surplus that may be used to meet the government's ongoing obligations to citizens and creditors.

- During the fiscal year, the City's total net position increased $1,173,784. Net position of government activities increased $556,929 and net position of business-type activities increased $616,855.

- Fund balances of governmental funds at the end of the fiscal year totaled $4,719,304 an increase of $492,703 in comparison to the prior year. Of this amount, $3,306,485 is nonspendable and restricted while the remaining $1,412,819 is unassigned.

- At the end of the fiscal year the unassigned governmental fund balance was $1,412,819.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City of Grangeville's basic financial statements. The City of Grangeville's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements: These statements are designed to provide readers with a broad overview of the City of Grangeville's finances using accounting methods similar to those by private sector companies. These statements are prepared using the accrual basis of accounting, in which current year revenues and expenses are recorded as transactions occur rather than when the cash is received or paid.

The government-wide financial statements are divided into two categories:

Statement of Net Position: Reports all of the City's assets and liabilities with the difference between the two 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.

Statement of Activities: Reports how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Therefore, revenues and

expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods, such as uncollected taxes and earned but unused vacation leave.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities include general government, public safety (police and fire), planning and development, public works and streets and culture and recreation. Business-type activities for the City include water, sewer, sanitation and Snowhaven.

The government-wide financial statements can be found on pages 15-17 of this report.

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 three categories: governmental, proprietary and fiduciary.

Governmental Funds: Most of the City's basic services are reported in governmental funds, which focus on short-term inflows and outflows of spendable resources and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can be readily converted to cash. Information provided by these statements provides a short-term view of what resources will be available to meet needs.

The City maintains 5 individual governmental funds. The basic governmental fund financial statements can be found on pages 17-20 of this report.

Proprietary Funds: When fees are charged for services provided, these services are generally reported in proprietary funds. Of the two proprietary funds available, the City only has enterprise funds. The City maintains enterprise funds for water, sewer, sanitation and Snowhaven, with each fund supporting itself with user fees and other charges. The City's enterprise funds are the same as the business-type activities reported in the government-wide statements but provide more detail and additional information, such as cash flows.

The basic proprietary fund financial statements may be found on pages 21-28 of this report.

Fiduciary Funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

For the fiscal year ended September 30, 2024 the City had no fiduciary funds to report.

Notes to the Financial Statements: The notes provide additional information that is essential to fully understand the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29-49 of this report.

Other Information: In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. The required supplementary information can be found on pages 51-55 of this report.

The combining and individual fund statements and schedules can be found on pages 57-62 of this report.

Government-Wide Financial Analysis

Net Position: Net position measures the difference between what the City owns (assets) versus what the City owes (liabilities). At September 30, 2024, the City's combined assets exceed liabilities by $24,193,675. In comparison at September 30, 2023 combined assets exceeded liabilities by $23,019,891.

Historically, the largest portion of the City's net assets, is in capital assets net of related debt and is usually about 50%. This year, capital assets net of related debt is 48% of the City's net assets. This is consistent but slightly lower than the prior fiscal year. Capital assets include land, building, equipment and machinery, and infrastructure.

Assets restricted to a particular use are 17% of net assets, which is 1% higher than the prior year. Slightly higher than the prior period, unrestricted net position equals 35% of net position.

City of Grangeville – Net Position

	Governmental Activities		Business-type Activities		Total	
	2023	2024	2023	2024	2023	2024
Current & Other Assets	$ 5,041,503	$ 5,682,261	$ 8,071,883	$ 9,356,509	$ 13,113,386	$ 15,038,770
Capital Assets	$ 2,621,216	$ 2,651,441	$ 14,082,835	$ 17,322,030	$ 16,704,051	$ 19,973,471
Deferred Outlfows	$ 240,023	$ 147,775	$ 121,132	$ 66,672	$ 361,155	$ 214,447
Total Assets and Deferred Outflows	$ 7,902,742	$ 8,481,477	$ 22,275,850	$ 26,745,211	$ 30,178,592	$ 35,226,688
Long-term liabilites outstanding	$ 733,895	$ 698,777	$ 4,969,078	$ 8,302,429	$ 5,702,973	$ 9,001,206
Other Liabilities	$ 236,749	$ 282,628	$ 1,218,979	$ 1,733,150	$ 1,455,728	$ 2,015,778
Deferred Inflows	$ -	$ 11,046	$ -	$ 4,983	$ -	$ 16,029
Total Liabilities and Deferred Inflows	$ 970,644	$ 992,451	$ 6,188,057	$ 10,040,562	$ 7,158,701	$ 11,033,013
Net Assets:						
Net Investment in Capital Assets	$ 2,450,206	$ 2,544,509	$ 9,170,729	$ 9,041,222	$ 11,620,935	$ 11,585,731
Restricted	$ 3,412,551	$ 3,883,164	$ 167,386	$ 176,468	$ 3,579,937	$ 4,059,632
Unrestricted	$ 1,069,341	$ 1,061,353	$ 6,749,678	$ 7,486,959	$ 7,819,019	$ 8,548,312
Total Net Position	$ 6,932,098	$ 7,489,026	$ 16,087,793	$ 16,704,649	$ 23,019,891	$ 24,193,675

Changes in Net Position: During the year the City's financial position increased by $1,173,784. The following condensed financial information was derived from the government-wide Statement of Activities and shows how the City's net assets changed during the year.

Changes in Net Position
Fiscal Year Ending September 30, 2024

	Governmental Activities		Business-Type Activities		Total	
Revenues:	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**
Program Revenues:						
Charges for services	$ 160,321	$ 188,120	$ 3,442,377	$ 3,910,155	$ 3,602,698	$ 4,098,275
Operating grants and contributions	$ 10,530	$ 95,184	$ 441,043	$ 10,792	$ 451,573	$ 105,976
Capital grants and contributions		$ -	$ -	$ -	$ -	$ -
General revenues:					$ -	$ -
Property taxes	$ 1,127,146	$ 1,175,393			$ 1,127,146	$ 1,175,393
Sales tax and other governmental	$ 714,332	$ 832,041			$ 714,332	$ 832,041
Other	$ 388,323	$ 447,627	$ 303,100	$ 438,357	$ 691,423	$ 885,984
Total Revenues	$ 2,400,652	$ 2,738,365	$ 4,186,520	$ 4,359,304	$ 6,587,172	$ 7,097,669
Expenses:						
General government	$ 299,637	$ 500,365			$ 299,637	$ 500,365
Public Safety	$ 823,669	$ 991,962			$ 823,669	$ 991,962
Highways/streets	$ 408,450	$ 413,383			$ 408,450	$ 413,383
Culture and Recreation	$ 332,863	$ 345,352			$ 332,863	$ 345,352
Interest on long-term debt					$ -	$ -
Water			$ 1,155,591	$ 917,418	$ 1,155,591	$ 917,418
Sewer			$ 1,366,713	$ 1,750,121	$ 1,366,713	$ 1,750,121
Sanitation			$ 760,244	$ 806,996	$ 760,244	$ 806,996
Recreation-Snowhaven			$ 201,365	$ 198,288	$ 201,365	$ 198,288
Total Expenses	$ 1,864,619	$ 2,251,062	$ 3,483,913	$ 3,672,823	$ 5,348,532	$ 5,923,885
Increase in net position before transfers	$ 536,033	$ 487,303	$ 702,607	$ 686,481	$ 1,238,640	$ 1,173,784
Transfers	$ (696,266)	$ 69,626	$ 696,266	$ (69,626)	$ -	$ -
Change in net position	$ (160,233)	$ 556,929	$ 1,398,873	$ 616,855	$ 1,238,640	$ 1,173,784
Net Position beginning	$ 7,092,331	$ 6,932,097	$ 14,688,920	$ 16,087,794	$ 21,781,251	$ 23,019,891
Prior Period Adjustment	$ -	$ -	$ -	$ -	$ -	$ -
Net Position ending	$ 6,932,098	$ 7,489,026	$ 16,087,793	$ 16,704,649	$ 23,019,891	$ 24,193,675

Governmental Activities: Governmental activities increased the City's net position by $556,929 compared to a $160,233 decrease the previous fiscal year. The majority of governmental expenses, 44.1%, are incurred by Public Safety. Overall, governmental expenses for 2024 increased by 20.7% when compared to fiscal year 2023. The majority of this increase was payment of $69,626 from ARPA funds to Idaho County for broadband and $98,800 for the Historic Landfill Investigation of the old city dump site as provided by GeoProfessional Innovation.

Through the generosity of a long time Grangeville citizen, the City was named as a beneficiary for a memorial from Orrin and Eleanor Webb for the police, fire, pool and golf course funds. The City received the majority of the funds in FY13; however additional funds were still received during FY14 and FY15. The City issued the final payment for the golf course funds in February 2017. Police, Fire and Pool still have remaining funds.

Business-Type Activities: Business-type activities increased net position by $616,855 in fiscal year 2024. Expenses increased 5.4 from fiscal year 2023 to 2024 while revenues increased 4.1%

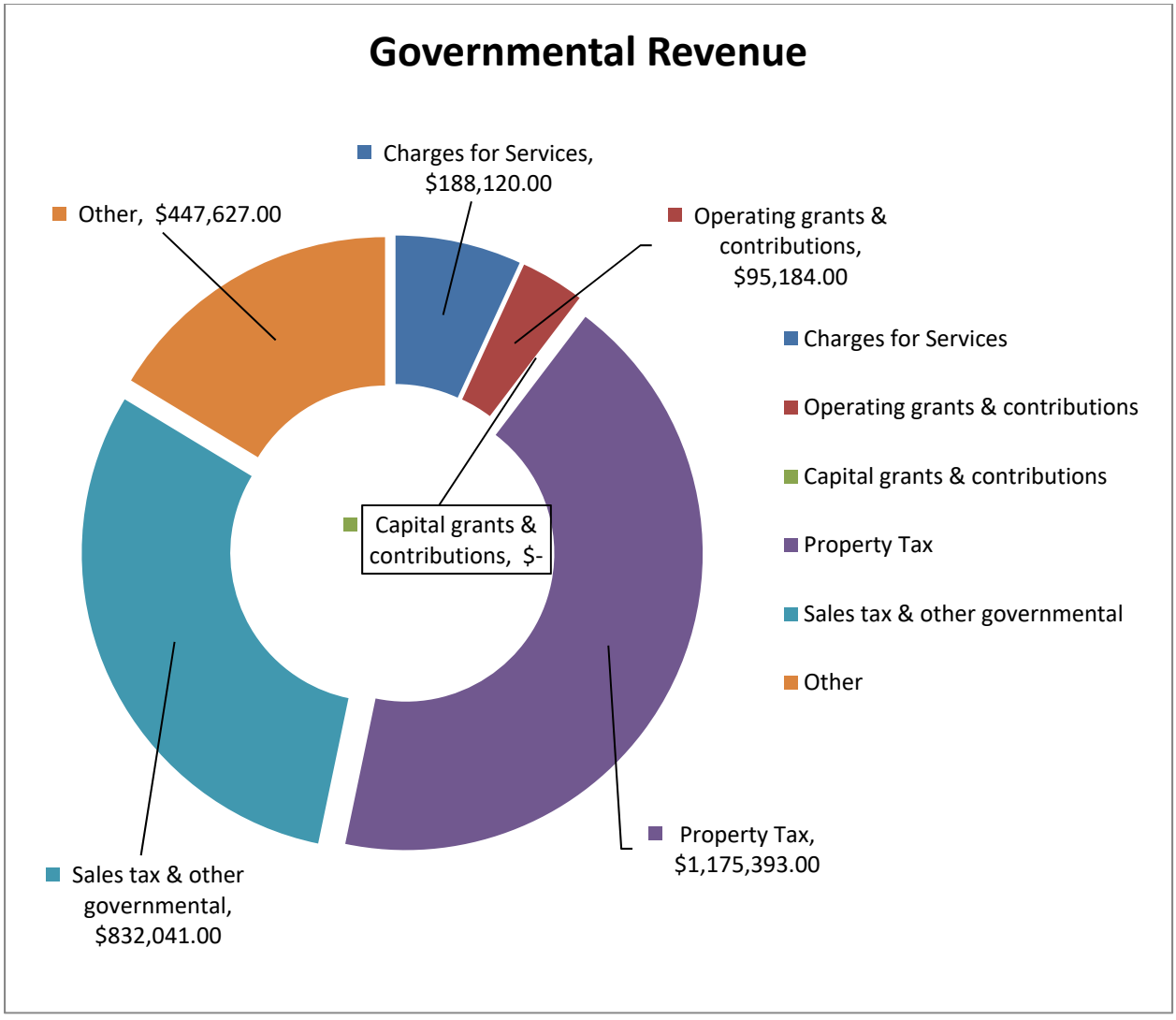
in the same time period. J-U-B Engineers continued work on the water and sewer projects design and provided construction management services. Construction on the new water tank and rehabilitation of the existing tank was completed by T Bailey Inc. The drilling of Clearwater Well was completed by Holt Services, Inc. The sewer project was awarded to Knife River Corporation – Mountain West and work began on the sewer project.

Financial Analysis of the City's Funds

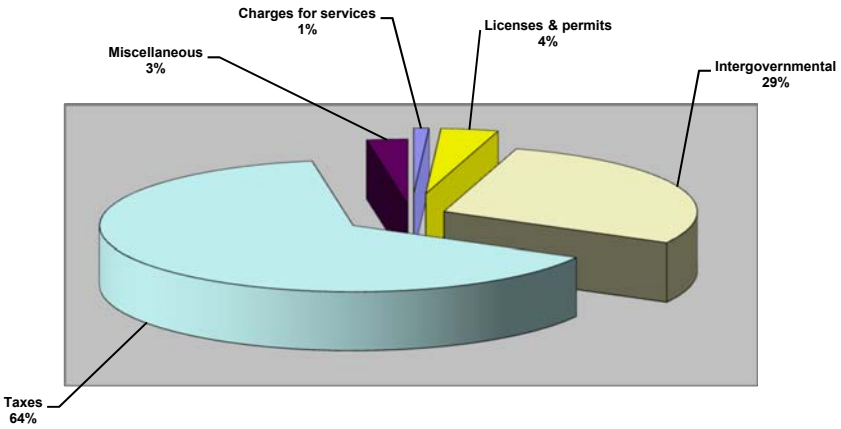
As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds: The general fund is the principal fund used for the City of Grangeville's major operations. At the end of the current fiscal year, unassigned fund balance of the governmental funds was $1,412,819 while the total fund balance reached $4,719,304 an increase of $492,703 compared to the prior year fund balance. See page 6 under governmental activities for additional information on the increase in net position.

The following chart shows the breakdown of governmental revenue.

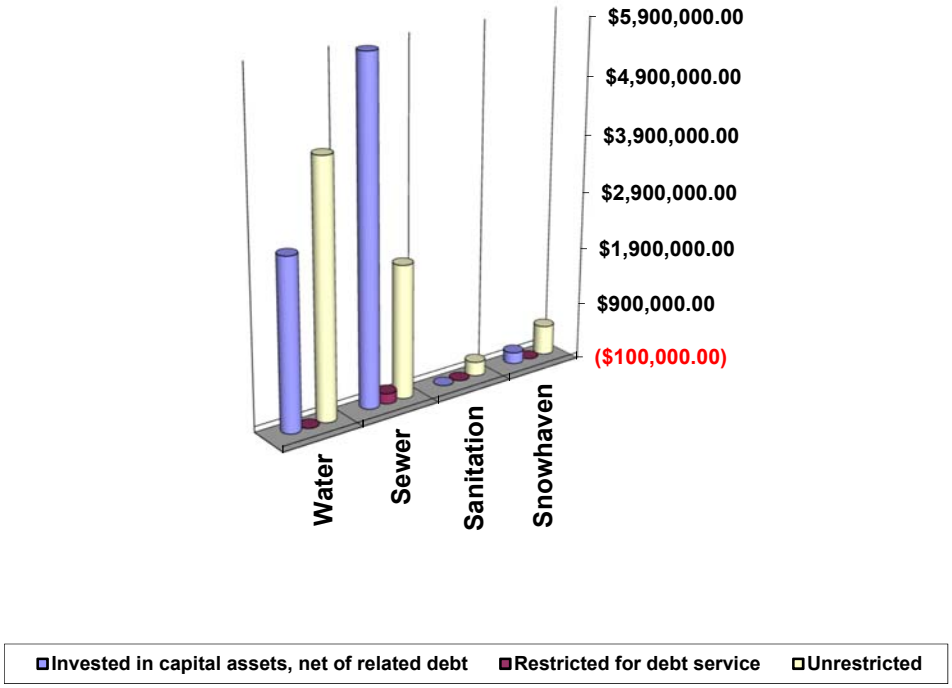


Revenue by Source-General Fund



Proprietary funds: The following chart has the net asset breakdown by proprietary (enterprise) fund as operated by the City and is shown in more detail than discussed in the Net Asset section.

Net Asset Breakdown
Proprietary Funds



General Fund Budgetary Highlights

The total revenue in the General Fund was $1,430,750 which was more than the budgeted amount of $1,247,296 by $183,454. The total expenditures in the General Fund were $1,390,405 which was under the budgeted amount of $1,491,689 by $101,284. The police department continues to pay on three vehicles; the chief's vehicle and two patrol vehicles through lease programs. Additional updates were completed in the council room and the city moved to a VOIP phone system.

Capital Asset and Debt Administration

Capital Asset:

The City investment in capital assets includes land, buildings, sewer and water lines, automobiles, equipment, street lights, bridges and roads.

Major capital asset events in FY24 included:

- New VOIP phones
- Purchased a 1996 fire brush truck
- New department head table, podium and storage in council room
- New snowplow blade for the truck and new sander
- Purchased a 2019 Prinoth Bison Groomer for Snowhaven
- Snowblower for the skid steer
- 2020 Chevy pickup for Street/Park/Water/Sewer
- Retaining wall at the Lions Park – additional section
- Completion of the new high zone water tank
- Completion of the rehabilitation on the existing high zone water tank
- Sewer project – construction in progress
- Sultzer Pump for the phosphorus building
- Pioneer Park Pavilion – construction in progress

Long-term Debt: The City purchased land in October 2021 with tower leases as a future revenue source for the General Fund. The Water Fund purchased land on behalf of the General Fund. General Fund has an interfund payable to repay the Water Fund. The balance owed as of September 30, 2024 is $231,790.

The citizens of the City passed a water revenue bond in December 2003. The City Refunded the Water Bond in 2013, resulting in a net interest cost of 3.433% compared to 4.94% and a total savings of $290,897.61 over the life of the bond. The long-term balance of the principle on the water bond as of September 30, 2024 was $1,570,000.

The City passed a sewer revenue bond in 2010 for improvements at the Wastewater Treatment Plant. Construction began in 2013 and the bond closed with USDA Rural Development in March of 2014. The long-term balance of the principle on the sewer bond as of September 30, 2024 was $2,436,070.

The City began using interim financing for construction projects on the water and sewer bonds passed in 2021. Upon competition of the projects, the interim financing will be closed out and new USDA Rural Development bonds issued. The current balances on the interim financing at September 30, 2024 are as follows.

Water Project BAN $2,629,985 Sewer Project BAN $1,373,986

Economic Factors and Next Year's Budgets and Rates

The business-type activities continue to monitor their rates to ensure adequate funding for payment of outstanding debt and future required expansion. The water rates will increase by 4.88% and sewer rates will increase by 4.8% in the base and overage for fiscal year 2025. Walco Inc. rates remain the same in Sanitation. The City implemented the new water and sewer bond rates in May 2024.

The City will continue to work with J-U-B Engineers on wastewater plant and collection system requirements in the IPDESDP permit along with water system requirements. The sewer project will be completed in the spring of 2025. The Clearwater Well completion project will be under construction in 2025. A new Wastewater Facility Plan will be drafted in 2025.

Requests for Information

This report is designed to provide our customers and other interested parties a general overview of the City of Grangeville's finances. Questions concerning any of the information provided in this report or for additional information, please contact Tonya Kennedy, City Administrator, City of Grangeville, 225 W North Street, Grangeville, Idaho 83530, (208) 983-2851.

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

	Governmental Activities	Business-type Activities	Total
Assets			
Current Assets:			
Cash and Cash Equivalents	$ 3,989,235	$ 6,656,185	$ 10,645,420
Short-term Investments	280,026	492,914	772,940
Accounts Receivable, Net	7,136	425,321	432,457
Taxes Receivable, Net	48,144	-	48,144
Interest Receivable	8,861	15,597	24,458
Due from Other Governments	172,529	-	172,529
Interfund Balances	(231,790)	231,790	-
Prepaid Items	8,403	4,089	12,492
Total Current Assets	4,282,544	7,825,896	12,108,440
Noncurrent Assets:			
Long-term Investments	769,295	1,354,145	2,123,440
Restricted Cash	585,082	176,468	761,550
Right-of-Use Asset	45,340	-	45,340
Capital Assets:			
Land and Construction in Progress	1,404,503	6,051,423	7,455,926
Improvements, Net	845,082	4,933,721	5,778,803
Buildings, Net	58,641	4,539,196	4,597,837
Equipment, Net	343,215	1,797,690	2,140,905
Total Noncurrent Assets	4,051,158	18,852,643	22,903,801
Total Assets	8,333,702	26,678,539	35,012,241
Deferred Outflows			
Pension Related Items	147,775	66,672	214,447
Total Deferred Outflows	147,775	66,672	214,447
Liabilities			
Current Liabilities:			
Accounts Payable	145,324	1,284,255	1,429,579
Wages Payable	30,057	13,895	43,952
Deposits from Others	-	426	426
Accrued Interest	-	134,700	134,700
Long-term Liabilities:			
Due Within One Year:			
Bonds and Notes Payable	51,266	252,939	304,205
Lease Liability	10,781	-	10,781
Compensated Absences	45,200	46,935	92,135
Due in More than One Year:			
Bonds and Notes Payable	55,666	8,027,869	8,083,535
Lease Liability, Net of Current	34,559	-	34,559
Net Pension Liability	608,552	274,560	883,112
Total Liabilities	981,405	10,035,579	11,016,984
Deferred Inflows			
Pension Related Items	11,046	4,983	16,029
Total Deferred Inflows	11,046	4,983	16,029
Net Position			
Net Investment in Capital Assets	2,544,509	9,041,222	11,585,731
Restricted for:			
Debt Service	585,082	176,468	761,550
Other Purposes	3,298,082	-	3,298,082
Unrestricted Surplus	1,061,353	7,486,959	8,548,312
Total Net Position	$ 7,489,026	$ 16,704,649	$ 24,193,675

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

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

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary Government:							
Governmental Activities:							
General Government	$ 500,365	$ 49,602	$ 723	$ -	$ (450,040)	$ -	$ (450,040)
Public Safety	991,962	-	-	-	(991,962)	-	(991,962)
Highways and Streets	413,383	86,736	-	-	(326,647)	-	(326,647)
Culture and Recreation	345,352	51,782	94,461	-	(199,109)	-	(199,109)
Total Governmental Activities	2,251,062	188,120	95,184	-	(1,967,758)	-	(1,967,758)
Business-type Activities:							
Water	917,418	1,425,193	10,792	-	-	518,567	518,567
Sewer	1,750,121	1,594,752	-	-	-	(155,369)	(155,369)
Sanitation	806,996	817,980	-	-	-	10,984	10,984
Recreation-Snowhaven	198,288	72,230	-	-	-	(126,058)	(126,058)
Total Business-type Activities	3,672,823	3,910,155	10,792	-	-	248,124	248,124
Total Primary Government	$ 5,923,885	$ 4,098,275	$ 105,976	$ -	(1,967,758)	248,124	(1,719,634)
General Revenues:							
Property Taxes					1,175,393	-	1,175,393
Intergovernmental					832,041	-	832,041
Interest					296,816	430,231	727,047
Other					150,811	-	150,811
Disposal of Capital Assets					-	8,126	8,126
Transfers					69,626	(69,626)	-
Total General Revenues and Special Items					2,524,687	368,731	2,893,418
Change in Net Position					556,929	616,855	1,173,784
Net Position, Beginning of Year					6,932,097	16,087,794	23,019,891
Net Position, End of Year					$ 7,489,026	$ 16,704,649	$ 24,193,675

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

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

	General	Street	Recreation	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and Investments	$ 1,308,588	$ 2,333,090	$ 669,212	$ 41,732	$ 4,352,622
Receivables, Net:					
Accounts	-	7,136	-	-	7,136
Property Taxes	32,814	8,466	2,950	3,914	48,144
Interest	5,062	3,078	721	-	8,861
Due from Other Governments	94,886	43,473	26,130	8,040	172,529
Prepaid Items	4,470	3,282	626	25	8,403
Restricted Investments	296,386	-	288,696	-	585,082
Total Assets	$ 1,742,206	$ 2,398,525	$ 988,335	$ 53,711	$ 5,182,777
Liabilities					
Accounts Payable	$ 31,270	$ 11,109	$ 97,576	$ 5,369	$ 145,324
Interfund Balance	231,790	-	-	-	231,790
Wages Payable	24,839	2,522	721	1,975	30,057
Compensated Absences	12,986	6,212	1,818	-	21,016
Total Liabilities	300,885	19,843	100,115	7,344	428,187
Deferred Inflows					
Unearned Revenue - Property Tax	24,032	6,220	2,165	2,869	35,286
Total Deferred Inflows	24,032	6,220	2,165	2,869	35,286
Fund Balances					
Nonspendable	4,470	3,282	626	25	8,403
Restricted	-	2,369,180	885,429	43,473	3,298,082
Unassigned	1,412,819	-	-	-	1,412,819
Total Fund Balances	1,417,289	2,372,462	886,055	43,498	4,719,304
Total Liabilities, Deferred Inflows, and Fund Balances	$ 1,742,206	$ 2,398,525	$ 988,335	$ 53,711	$ 5,182,777

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

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

Total Fund Balances - Governmental Funds		$ 4,719,304
Amounts reported for governmental activities in the Statement of Net Position are different because of the following:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds. The cost of assets consist of:		
Land and Construction in Progress	$ 1,404,503	
Improvements, Net of $1,558,268 Accumulated Depreciation	845,082	
Buildings, Net of $684,848 Accumulated Deprecation	58,641	
Equipment, Net of $1,390,865 Accumulated Depreciation	343,215	
Right-of-Use Asset	45,340	
		2,696,781
Property taxes receivable will be collected this year, but are not available soon enough to pay for current period's expenditures, and, therefore, are unearned in the funds.		35,286
Long-term liabilities, including compensated absences and leases, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:		
Compensated Absences	$ (24,184)	
Lease Liability	(45,340)	
Municipal Lease	(106,932)	
		(176,456)
Internal service funds are used by management to charge medical costs to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position. Internal service fund net assets are:		685,934
The District participates in the Public Employer Retirement System of Idaho, which is a cost-sharing plan. As a participant they are required to report their share of the Net Pension Liability and the related deferred inflows and outflows on their Statement of Net Position.		
Net Pension Liability	$ (608,552)	
Pension Related Deferred Inflows	(11,046)	
Pension Related Deferred Outflows	147,775	
		(471,823)
Net Position of Governmental Activities		$ 7,489,026

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

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

	General	Roads and Streets	Recreation	Other Governmental Funds	Total Governmental Funds
Revenues					
Property Taxes	$ 805,596	$ 202,126	$ 71,999	$ 100,024	$ 1,179,745
Licenses and Permits	36,535	-	-	1,067	37,602
Intergovernmental	338,782	359,865	100,580	32,814	832,041
Charges for Services	12,000	86,736	47,669	4,113	150,518
Grants & Contributions	723	-	82,026	12,435	95,184
Investment Income	95,327	117,206	49,498	1,983	264,014
Other	72,161	20,731	2,620	6,116	101,628
Total Revenues	1,361,124	786,664	354,392	158,552	2,660,732
Expenditures					
Current:					
General Government	427,272	-	-	29,000	456,272
Public Safety	871,213	-	-	-	871,213
Highway and Streets	-	331,410	-	-	331,410
Culture and Recreation	-	-	172,450	117,321	289,771
Capital Outlay	91,920	42,519	146,156	8,393	288,988
Total Expenditures	1,390,405	373,929	318,606	154,714	2,237,654
Excess (Deficiency) of Revenues Over Expenditures	(29,281)	412,735	35,786	3,838	423,078
Other Financing Resources (Uses)					
Transfers In	69,626	-	-	-	69,626
Total Other Financing Sources (Uses)	69,626	-	-	-	69,626
Net Change in Fund Balances	40,345	412,735	35,786	3,838	492,704
Fund Balances - Beginning	1,376,944	1,959,727	850,269	39,660	4,226,600
Fund Balances - Ending	$ 1,417,289	$ 2,372,462	$ 886,055	$ 43,498	$ 4,719,304

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

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

Total Net Change in Fund Balance - Governmental Funds		$ 492,704
Amounts reported for governmental activities in the Statement of Activities are different because of the following:		
Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their useful lives as depreciation expense. Because of this, gains or losses on disposals only appear in the Statement of Activities as well. In the current period these amounts are:		
Capital Outlay	$ 241,534	
Depreciation Expense	(166,626)	
Net		74,908
Because some property taxes will not be collected for several months after the City's fiscal year ends, they are not considered as "available" revenues in the governmental funds and are, instead, counted as unearned tax revenues. They are, however, recorded as revenues in the Statement of Activities.		(4,352)
The net revenue of certain activities of internal service funds are reported with governmental activities.		81,985
Compensated absences reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This amount represents the net change in compensated absences.		23,291
The District participates in the Public Employer Retirement System of Idaho, which is a cost-sharing plan. As a participant they are required to report their share of the Net Pension Liability and the related deferred inflows and outflows on their Statement of net Position. The changes in the Net Pension Liability and the related deferred inflows and outflows does not affect the governmental funds, but are reported in the Statement of Activities.		(111,607)
Change in Net Position of Governmental Activities		$ 556,929

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

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

	Enterprise Funds		
	Water	Sewer	Sanitation
Assets			
Current Assets:			
Cash and Cash Equivalents	$ 2,569,982	$ 3,348,365	$ 222,951
Short-term Investments	458,144	34,770	-
Accounts Receivable, Net	162,582	172,345	90,394
Interest Receivable	14,497	1,100	-
Interfund Balance	231,790	-	-
Prepaid Items	2,288	953	141
Total Current Assets	3,439,283	3,557,533	313,486
Noncurrent Assets:			
Long-term Investments	1,258,623	95,522	-
Restricted Cash and Investments	-	176,468	-
Capital Assets:			
Land and Construction in Progress	3,917,978	2,101,885	-
Improvements, Net	3,277,386	1,637,655	-
Buildings, Net	31,712	4,504,713	-
Equipment, Net	198,092	1,458,113	-
Total Noncurrent Assets	8,683,791	9,974,356	-
Total Assets	12,123,074	13,531,889	313,486
Deferred Outflows			
Pension Related Items	31,867	33,797	1,008
Total Deferred Outflows	31,867	33,797	1,008
Liabilities			
Current Liabilities:			
Accounts Payable	46,947	1,161,872	68,869
Wages Payable	5,477	8,246	172
Customer Deposits	426	-	-
Accrued Interest	96,250	38,450	-
Compensated Absences	22,468	24,383	84
Current Portion - Debt	145,000	107,939	-
Total Current Liabilities	316,568	1,340,890	69,125
Long-term Liabilities:			
Bonds and Notes Payable	4,325,752	3,702,117	-
Net Pension Liability	131,229	139,179	4,152
Total Long-term Liabilities	4,456,981	3,841,296	4,152
Total Liabilities	4,773,549	5,182,186	73,277
Deferred Inflows			
Pension Related Items	2,382	2,526	75
Total Deferred Inflows	2,382	2,526	75
Net Position			
Net Investment in Capital Assets	2,954,416	5,892,310	-
Restricted for Debt Service	-	176,468	-
Unrestricted	4,424,594	2,312,196	241,142
Total Net Position	$ 7,379,010	$ 8,380,974	$ 241,142

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

City of Grangeville, Idaho
Statement of Net Position - Proprietary Funds (continued)
September 30, 2024

	Enterprise Funds		Governmental Activities - Internal Services
	Snowhaven	Total	
Assets			
Current Assets:			
Cash and Investments	$ 514,887	$ 6,656,185	$ 685,934
Short-term Investments	-	492,914	-
Accounts Receivable, Net	-	425,321	-
Interest Receivable	-	15,597	-
Interfund Balance	-	231,790	-
Prepaid Items	707	4,089	-
Total Current Assets	515,594	7,825,896	685,934
Noncurrent Assets:			
Long-term Investments	-	1,354,145	-
Restricted Cash	-	176,468	-
Capital Assets:			
Land and Construction in Progress	31,560	6,051,423	-
Improvements, Net	18,680	4,933,721	-
Buildings, Net	2,771	4,539,196	-
Equipment, Net	141,485	1,797,690	-
Total Noncurrent Assets	194,496	18,852,643	-
Total Assets	710,090	26,678,539	685,934
Deferred Outflows			
Pension Related Items	-	66,672	-
Total Deferred Outflows	-	66,672	-
Liabilities			
Current Liabilities:			
Accounts Payable	6,567	1,284,255	-
Wages Payable	-	13,895	-
Customer Deposits	-	426	-
Accrued Interest	-	134,700	-
Compensated Absences	-	46,935	-
Current Portion - Debt	-	252,939	-
Total Current Liabilities	6,567	1,733,150	-
Long-term Liabilities:			
Bonds and Notes Payable	-	8,027,869	-
Net Pension Liability	-	274,560	-
Total Long-term Liabilities	-	8,302,429	-
Total Liabilities	6,567	10,035,579	-
Deferred Inflows			
Pension Related Items	-	4,983	-
Total Deferred Inflows	-	4,983	-
Net Position			
Net Investment in Capital Assets	194,496	9,041,222	-
Restricted for Debt Service	-	176,468	-
Unrestricted	509,027	7,486,959	685,934
Total Net Position	$ 703,523	$ 16,704,649	$ 685,934

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

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

	Enterprise Funds		
	Water	Sewer	Sanitation
Operating Revenues			
Charges for Services	$ 1,300,467	$ 1,587,237	$ 817,980
Penalties	8,210	-	-
Other	116,516	7,515	-
Grants & Contributions	10,792	-	-
Total Operating Revenues	1,435,985	1,594,752	817,980
Operating Expenses			
Salaries and Benefits	263,189	385,485	7,336
Contractor Services	-	-	789,787
Supplies	15,693	16,486	6,570
Heat, Light, and Power	68,345	126,309	-
Other Services and Charges	175,693	710,809	3,303
Depreciation	270,233	451,171	-
Total Operating Expenses	793,153	1,690,260	806,996
Operating Income (Loss)	642,832	(95,508)	10,984
Nonoperating Revenues (Expenses)			
Gain (Loss) on Disposal of Assets	8,126	-	-
Interest Earned	221,485	172,009	4,260
Interest Expense	(124,265)	(59,861)	-
Total Nonoperating Revenues (Expenses)	105,346	112,148	4,260
Change in Net Position	748,178	16,640	15,244
Net Position - Beginning	6,630,832	8,364,334	225,898
Net Position - Ending	$ 7,379,010	$ 8,380,974	$ 241,142

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

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

	Enterprise Funds		Governmental Activities - Internal Services
	Snowhaven	Total	
Operating Revenues			
Charges for Services	$ 69,098	$ 3,774,782	$ -
Penalties	-	8,210	-
Other	3,132	127,163	306,215
Grants & Contributions	-	10,792	-
Total Operating Revenues	72,230	3,920,947	306,215
Operating Expenses			
Salaries and Benefits	19,787	675,797	257,032
Contractor Services	-	789,787	-
Supplies	17,846	56,595	-
Heat, Light, and Power	3,571	198,225	-
Other Services and Charges	140,367	1,030,172	-
Depreciation	16,717	738,121	-
Total Operating Expenses	198,288	3,488,697	257,032
Operating Income (Loss)	(126,058)	432,250	49,183
Nonoperating Revenues (Expenses)			
Gain (Loss) on Disposal of Assets	-	8,126	-
Interest Earned	32,477	430,231	32,802
Interest Expense	-	(184,126)	-
Total Nonoperating Revenues (Expenses)	32,477	254,231	32,802
Income (Loss) Before Transfers	(93,581)	686,481	81,985
Transfers			
Transfers Out	(69,626)	(69,626)	-
Net Transfers	(69,626)	(69,626)	-
Change in Net Position	(163,207)	616,855	81,985
Net Position - Beginning	866,730	16,087,794	603,949
Net Position - Ending	$ 703,523	$ 16,704,649	$ 685,934

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

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

	Enterprise Funds		
	Water	Sewer	Sanitation
Cash Flows From Operating Activities			
Receipts from Customers	$ 1,372,985	$ 1,584,204	$ 820,197
Payments to Suppliers for Goods or Services	(921,816)	240,426	(793,320)
Payments to Employees for Services	(242,810)	(366,478)	(7,451)
Net Cash Provided (Used) by Operating Activities	208,359	1,458,152	19,426
Cash Flows From Noncapital Financing Activities			
Net Cash Provided (Used) by Noncapital Financing Activities	-	-	-
Cash Flows From Capital and Related Financing Activities			
Purchases and Construction of Capital Assets	(1,790,430)	(2,051,886)	-
Disposal of Capital Assets	8,126	-	-
Principal Paid on Capital Debt	2,162,544	1,206,158	-
Principal Paid on Interfund Loan	44,128	-	-
Interest Paid on Capital Debt	(31,337)	(47,658)	-
Net Cash Used by Capital and Related Financing Activities	393,031	(893,386)	-
Cash Flows From Investing Activities			
Sale (Purchase) of Investments	(118,718)	(9,010)	
Interest and Dividends	219,001	171,821	4,260
Net Cash Used by Investing Activities	100,283	162,811	4,260
Net Increase in Cash and Cash Equivalents	701,673	727,577	23,686
Cash and Cash Equivalents, Beginning	1,868,309	2,797,256	199,265
Cash and Cash Equivalents, Ending	$ 2,569,982	$ 3,524,833	$ 222,951
Displayed As:			
Cash and Cash Equivalents	$ 2,569,982	$ 3,348,365	$ 222,951
Restricted Cash and Investments	-	176,468	-
	$ 2,569,982	$ 3,524,833	$ 222,951

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

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

	Enterprise Funds		Governmental Activities - Internal Services
	Snowhaven	Total	
Cash Flows From Operating Activities			
Receipts from Customers	$ 72,230	$ 3,849,616	$ 306,215
Payments to Suppliers for Goods or Services	(192,926)	(1,667,636)	(257,075)
Payments to Employees for Services	(33,069)	(649,808)	-
Net Cash Provided (Used) by Operating Activities	(153,765)	1,532,172	49,140
Cash Flows From Noncapital Financing Activities			
Transfers In (Out)	(69,626)	(69,626)	-
Net Cash Provided (Used) by Noncapital Financing Activities	(69,626)	(69,626)	-
Cash Flows From Capital and Related Financing Activities			
Purchases and Construction of Capital Assets	(135,000)	(3,977,316)	-
Disposal of Capital Assets		8,126	
Principal Paid on Capital Debt	-	3,368,702	-
Principal Paid on Interfund Loan	-	44,128	-
Interest Paid on Capital Debt	-	(78,995)	-
Net Cash Used by Capital and Related Financing Activities	(135,000)	(635,355)	-
Cash Flows From Investing Activities			
Sale (Purchase) of Investments	-	(127,728)	-
Interest and Dividends	32,477	427,559	32,802
Net Cash Used by Investing Activities	32,477	299,831	32,802
Net Increase in Cash and Cash Equivalents	(325,914)	1,127,022	81,942
Cash and Cash Equivalents, Beginning	840,801	5,705,631	603,992
Cash and Cash Equivalents, Ending	$ 514,887	$ 6,832,653	$ 685,934
Displayed As:			
Cash and Cash Equivalents	$ 514,887	$ 6,656,185	$ 685,934
Restricted Cash	-	176,468	-
	$ 514,887	$ 6,832,653	$ 685,934

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

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

	Enterprise Funds		
	Water	Sewer	Sanitation
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	$ 642,832	$ (95,508)	$ 10,984
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:			
Depreciation	270,233	451,171	-
Changes in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	(63,000)	(10,548)	2,217
(Increase) Decrease in Deferred Outflows	21,801	23,121	690
Increase (Decrease) in Accrued Payroll and Benefits	(5,461)	(8,797)	(333)
Increase (Decrease) in Accounts Payable	(662,085)	1,094,030	6,340
Increase (Decrease) in Compensated Absences	4,637	5,317	(453)
Increase (Decrease) in Net Pension Liability	(2,980)	(3,160)	(94)
Increase (Decrease) in Deferred Inflows	2,382	2,526	75
Net Cash Provided by Operating Activities	$ 208,359	$ 1,458,152	$ 19,426

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

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

	Enterprise Funds		Governmental Activities - Internal
	Snowhaven	Total	
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	$ (126,058)	$ 432,250	$ 49,183
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:			
Depreciation	16,717	738,121	-
Changes in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	-	(71,331)	-
(Increase) Decrease in Deferred Outflows	8,848	54,460	-
Increase (Decrease) in Accrued Payroll and Benefits	-	(14,591)	-
Increase (Decrease) in Accounts Payable	(31,142)	407,143	(43)
Increase (Decrease) in Compensated Absences	-	9,501	-
Increase (Decrease) in Net Pension Liability	(22,130)	(28,364)	-
Increase (Decrease) in Deferred Inflows	-	4,983	-
Net Cash Provided by Operating Activities	$ (153,765)	$ 1,532,172	$ 49,140

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

B. Basis of Presentation, Basis of Accounting

Basis of Presentation

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

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

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

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

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

Governmental Funds

Governmental funds are those through which most governmental functions of the City are financed. Governmental fund reporting focuses on the sources, use, and balance of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid.

The City reports the following major governmental funds:

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

Proprietary Funds

Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows. Proprietary funds are classified as either enterprise or internal service.

Enterprise Funds

Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods and services. The City reports the following major enterprise funds:

- *Water fund.* This fund accounts for the activities of the City's water supply system, pumping stations, and collection systems.

- *Sewer fund.* This fund accounts for the operations and collections of the City's sewer system.
- *Sanitation fund.* The City acts as an intermediary in billing and collecting revenue from the local citizens for the sanitation company.
- *Snowhaven.* This fund accounts for the operations and collections related to Snowhaven

Internal Service Funds

Internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The City reports the following internal service fund:

- *Insurance Pool fund.* This fund accounts for the employee health insurance plan.

Basis of Accounting

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

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

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

Fund Balance Reporting in Governmental Funds

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

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

- *Nonspendable.* Prepaid items that are permanently precluded from conversion to cash.
- *Restricted.* Balances constrained to a specific purpose by enabling legislation, external parties, or constitutional provisions.
- *Unassigned.* Balances available for any purpose.

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

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

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

The fund balance in the nonmajor governmental funds are restricted by outside donors and grants for enrichment of the City's art and other funds have been restricted for use towards the City's health insurance.

C. Assets and Liabilities

Cash Equivalents and Investments

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

Investments are recorded at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement, and Application.* Accordingly, the change in fair value of investments is recognized as an increase of decrease to investment assets and investment income.

Fair Value of Investments

The City of Grangeville measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Valuations based on quoted prices in active markets for identical assets or liabilities the City of Grangeville can access. Since valuations are based on quoted prices that are readily and regularly available in an active market, the valuation of these securities does not entail any significant degree of judgment. Securities classed as Level 1 inputs include U.S. Government securities and other U.S. Agency and sovereign government obligations.
- Level 2: Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly. Securities classified as Level 2 include corporate and municipal bonds, and “brokered” or securitized certificates of deposits; and
- Level 3: Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

Receivables

All trade and property tax receivables are shown net of an allowance for uncollectible accounts. Allowance for uncollectible accounts is estimated to be zero.

Property Tax Calendar

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

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

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

Capital Assets

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

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

	Capitalization Policy	Depreciation Method	Estimated Useful Life
Buildings and Improvements	$5,000	Straight-Line	7 – 50 Years
Equipment and Vehicles	$5,000	Straight-Line	5 – 20 Years

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

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

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

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

Restricted Assets – Proprietary Funds

Certain proceeds and resources are set aside and classified as restricted assets on the balance sheet because their use is limited by city ordinance and by the City Council. In the Water fund, the bond and interest redemption accounts are used to report resources set aside to be used for payment of bond principal and interest. It also includes the bond reserve account, which is used to report resources set aside to be used for payment of bond principal and interest, if amounts are not sufficient for such purposes in the bond and interest redemption account. Also, in the Water fund, the customer deposit account is used to report resources received from users of the utility system. These deposits are to be returned to the customer when leaving the system, provided all utility bills are paid current.

Pensions

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

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. CASH AND INVESTMENTS

Deposits

As of September 30, 2024, the carrying amount of the City's deposits were $607,831 and the respective bank balances totaled $580,925. All of the total bank balance was insured or collateralized with pooled securities held by the pledging institution in the name of the City.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned. As of September 30, 2024, all of the City's deposits were

covered by federal depository insurance or by collateral held by the City's agent or pledging financial institution's trust department or agent in the name of the City, and thus were not exposed to custodial credit risk. The City also keeps $1,960 of cash on hand. The City does not have a formal policy limiting its exposure to custodial credit risk.

Custodial Credit Risk – Investments

Custodial credit risk is the risk that an issuer or other counter party to an investment will not fulfill its obligations. The City's policy is to have no more than 10% of the value of the investment portfolio with any single issues at the time of purchase, with the exception of U.S. Treasury and U.S. Agency securities.

Interest Rate Risk

The City has a policy to not purchase securities with a maturity more than five (5) years from the date of purchase, unless it is matched to a specific cash flow. This policy is to help mitigate the interest rate risk of investments.

Investments

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

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

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

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

			Investment Maturities (in Years)		
Investment Type	Rating	Fair Value	Less than 1	1-5	More than 5
External Investment Pool	N/A	$ 10,622,150	$ 10,622,150	$ -	$ -
Money Market	N/A	175,028	175,028	-	-
CD	N/A	2,553,795	564,337	1,989,458	-
Corporate Bonds	A	258,318	124,336	133,982	-
US Treasury/Agency Bor	AAA	84,267	84,267	-	-
		$ 13,693,558	$ 11,570,118	$ 2,123,440	$ -

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

	Governmental Activities	Business-type Activities	Total
Cash and cash equivalents	$ 3,989,235	$ 6,656,185	$ 10,645,420
Investments	1,049,321	1,847,059	2,896,380
Restricted Investments	585,082	176,468	761,550
	$ 5,623,638	$ 8,679,712	$ 14,303,350

On September 30, 2024, the City had the following recurring fair value measurements:

Investment Type	Level 1	Level 2	Level 3	Total
Money Market	$ 175,028	$ -	$ -	$ 175,028
CD	-	2,553,795	-	2,553,795
Corporate Bonds	-	258,318	-	258,318
US Treasury/Agency Bonds	84,267	-	-	84,267
	$ 259,295	$ 2,812,113	$ -	$ 3,071,408

Debt and equity securities classified in Level 1 are valued using prices quoted in active markets for those securities.

For securities that generally have market prices from multiple sources, it can be challenging to select the best individual price, and the best source one day may not be the best source no the following day. The solution is to report a "consensus price" or a weighted average price for each security. The City receives market prices for these securities from a variety of industry standard date provides (e.g. Bloomberg), security master fields from large financial institutions, and other third-party sources. Through the help of an investment advisor, the City uses these multiple prices as inputs into a distribution-curve based algorithm to determine the daily market value.

Securities held as Level 1 are valued using the following approach.

- U.S. Treasuries, Money Markets, U.S. Agencies: quoted prices for identical securities in markets that are active;

Debt securities classified as Level 2 are valued using the following approaches.

- Corporate and Municipal Bonds and Commercial Paper: quoted prices for similar securities in active markets

3. DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units include state revenue sharing of $100,191, liquor apportionment of $13,165, highway user revenue of $43,473 from the State Department of Highways, and $15,700due from Rural Fire. The total due from other governments is $172,529.

4. CAPITAL ASSETS

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

	Balance 9/30/2023	Additions	Disposals	Balance 9/30/2024
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land & CIP	$ 1,321,759	$ 82,744	$ -	$ 1,404,503
Capital Assets Being Depreciated:				
Buildings	743,489	-	-	743,489
Improvements	2,354,774	48,576	-	2,403,350
Equipment	1,674,334	65,531	(5,785)	1,734,080
Total Historical Cost	4,772,597	114,107	(5,785)	4,880,919
Less: Accumulated Depreciation				
Buildings	680,319	4,529	-	684,848
Improvements	1,508,160	50,108	-	1,558,268
Equipment	1,284,661	111,989	(5,785)	1,390,865
Total Acc. Depr.	3,473,140	166,626	(5,785)	3,633,981
Net Depreciable Assets	1,299,457	(52,519)	-	1,246,938
Governmental Activities				
Capital Assets - Net	$ 2,621,216	$ 30,225	$ -	$ 2,651,441

	Balance 9/30/2023	Additions	Disposals	Balance 9/30/2024
Business-type Activities:				
Capital Assets Not Being Depreciated:				
Land, CIP, and Easements	$ 6,051,423	$ -	$ -	$ 6,051,423
Capital Assets Being Depreciated:				
Buildings	7,400,667	-	-	7,400,667
Improvements	12,712,302	-	-	12,712,302
Equipment	4,977,626	217,007	(54,830)	5,139,803
Total Depreciable Assets	25,090,595	217,007	(54,830)	25,252,772
Less: Accumulated Depreciation				
Buildings	2,678,844	182,627	-	2,861,471
Improvements	7,272,656	356,507	-	7,629,163
Equipment	3,347,374	198,987	(54,830)	3,491,531
Total Acc. Depr.	13,298,874	738,121	(54,830)	13,982,165
Net Depreciable Assets	11,791,721	(521,114)	-	11,270,607
Business-type Activities - Net	$ 17,843,144	$ (521,114)	$ -	$ 17,322,030

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

Governmental Activities:	
General Government	$ 11,578
Public Safety	70,120
Highway and Streets	59,736
Culture and Recreation	25,192
	$ 166,626
Business-type Activities:	
Water	$ 270,233
Sewer	451,171
Snowhaven	16,717
	$ 738,121

5. PENSION PLAN

Plan Description

The City of Grangeville, Idaho contributes to the Base Plan which is a cost-sharing multiple-employer defined benefit pension plan administered by Public Employee Retirement System of Idaho (PERSI or System) that covers substantially all employees of the State of Idaho, its agencies and various participating political subdivisions. The cost to administer the plan is financed through the contributions and

investment earnings of the plan. PERSI issues a publicly available financial report

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

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

Pension Benefits

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

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

Member and Employer Contributions

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

The contribution rates for employees are set by statute at 60% of the employer rate for general employees and 74% for public safety. As of June 30, 2024 it was 6.71% for general employees and 9.83% for public safety. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.18% for general employees and 13.26% for police and firefighters. The City of Grangeville, Idaho's contributions were $136,073 the year ended September 30, 2024.

Pension Liabilities, Pension Expense (Revenue), and Deferred Outflows of Resources

and Deferred Inflows of Resources Related to Pensions

At September 30, 2024, the City of Grangeville, Idaho reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City of Grangeville, Idaho's proportion of the net pension liability was based the City of Grangeville, Idaho'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 of Grangeville, Idaho's proportion was 0.0236086 percent.

For the year ended September 30, 2024, the City of Grangeville, Idaho recognized pension expense (revenue) of $278,761 . At September 30, 2024, the City of Grangeville, Idaho reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 140,600	$ -
Changes in assumptions or other inputs	34,984	-
Net difference between projected and actual earnings on pension plan investments	-	16,029
City of Grangeville, Idaho's contributions subsequent to the measurement date	38,863	-
Total	$ 214,447	$ 16,029

$38,863 reported as deferred outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2024.

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

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

For the Year Ended September 30:	PERSI
2025	$ 82,450
2026	164,659
2027	(28,395)
2028	(20,296)

Actuarial Assumptions

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

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

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

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

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

The long-term expected rate of return on pension plan investments was determined

using the building block approach and a forward-looking model in which best estimate

ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

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

Fixed Income	30.00%
US/Global Equity	55.00%
International Equity	15.00%
Cash	0.00%
Total	100.00%

Discount Rate

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

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

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

	1% Decrease (5.35%)	Current Discount Rate (6.35%)	1% Increase (7.35%)
Employer's proportionate share of the net pension liability (asset)	$ 1,678,189	$ 883,112	$ 233,738

Pension plan fiduciary net position

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

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

6. RISK MANAGEMENT

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

7. COMPENSATED ABSENCES

Vacation leave is granted to all regular City employees. In the event of termination, an employee is reimbursed for accumulated vacation leave. Employees accrue vacation time on every paycheck at a rate depending on their tenure with the City. Compensated time is also awarded for overtime worked. This time can be accumulated and carried over to subsequent years. Changes in compensated absences for the year ended September 30, 2024, are as follows:

	9/30/2023	Earned	Used	9/30/2024	Current
Governmental Activities	$ 48,806	$ 24,121	$ (27,790)	$ 45,137	$ 45,137
Business-type Activities	37,434	27,196	(17,632)	46,998	46,998
Total	$ 86,240	$ 51,317	$ (45,422)	$ 92,135	$ 92,135

8. OTHER COMMITMENTS

The City has credit cards with a total credit limit of $28,500. As of September 30, 2024, $350 of the available credit was in use.

9. LEASES

The City leases copiers, and police body cams under various terms under long-term non-cancelable operating lease arrangements. An operating lease provides for increase in future minimum annual rental payments. Operating leases with a term of 12 months or less are not recorded on the statement of financial position.

Total right-of use assets and lease liability as of September 30, 2024 are as follows:

	2024
Lease Assets - Classification in Statement of Financial Position	
Operating lease right-of-use	
Copiers	$ 7,365
Police Body Cams	27,404
Police Tasers	23,676
Less Accumulated Amortization	(13,105)
Total leased right-of-use assets	$ 45,340

	2024
Lease Liabilities - Classification in Statement of Financial Position	
Operating lease liabilities	
Copiers	$ 5,604
Police Body Cams	21,121
Police Tasers	18,615
Total lease liabilities	$ 45,340
Operating Lease Costs	
Amortization of right-of-use assets	$ 12,506
	$ 12,506

Total lease costs for the year ended September 30, 2024 are as follows:

Year Ending December 31,	Principal
2025	$ 12,545
2026	12,545
2027	12,545
2028	12,139
	49,774
Less: Imputed Interest	(4,434)
Present Value of Liability	$ 45,340

10. LONG-TERM OBLIGATIONS

Revenue Bond:

The City issues bonds where the City pledges income derived from the acquired or constructed assets to pay debt service. The Water Revenue Bond Series 2003 was issued in December of 2003 in the amount of $3,900,000 to finance improvements to the domestic water system. This bond was partially refinanced from bonds issued in 2014 through the Idaho Bond Bank Authority in the amount of $1,970,000. The sewer bond was issued March 2014 in the amount of $3,500,000 to finance improvements to the sewer plant.

Municipal Lease:

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

Long-term obligation activity for the year ending September 30, 2024 was as follows:

Description	Maturity	Rate	Required Reserve	9/30/2023	Increase	Decrease	9/30/2024	Current Portion
Governmental Activities:								
2023 Ford F150 Vin687	2025	4.86%	N/A	$ 49,756	$ -	$ (24,288)	$ 25,468	$ 25,468
Spillman Softw are	2024	6.56%	N/A	15,104	-	(15,104)	-	-
2022 Ford F150 Vin853	2026	4.50%	N/A	53,075	-	(12,343)	40,732	12,899
2023 Ford F150 Vin853	2026	4.50%	N/A	53,075	-	(12,343)	40,732	12,899
				$ 171,010	$ -	$ (64,078)	$ 106,932	$ 51,266
Business-type Activities:								
USDA Sew er Bond	2043	1.875%	$107,531	$ 2,542,027	$ -	$ (105,957)	$ 2,436,070	$ 107,939
Water Refunding Bond	2033	1.864 - 5.00%	N/A	1,710,000	-	(140,000)	1,570,000	140,000
				4,252,027	-	(245,957)	4,006,070	247,939
Water Project BAN	CIP		N/A	292,595	2,337,390	-	2,629,985	-
Sew er Project BAN	CIP		N/A	61,872	1,312,114	-	1,373,986	-
				354,467	3,649,504	-	4,003,971	-
Unamort. Water Bond Premium				305,612	-	(34,845)	270,767	-
				$ 4,912,106	$ 3,649,504	$ (280,802)	$ 8,280,808	$ 247,939

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

Year Ending	Business-type Activities Bonds and Notes		Governmental Activities Municipal Lease	
September 30,	Principal	Interest	Principal	Interest
2025	$ 252,939	$ 105,393	$ 51,266	$ 4,904
2026	264,963	96,119	55,666	2,333
2027	277,024	86,307	-	-
2028	279,125	75,957	-	-
2029	291,265	65,567	-	-
2030-2034	1,379,852	203,597	-	-
2035-2039	674,697	93,378	-	-
2040-2044	586,205	27,719	-	-
	$ 4,006,070	$ 754,037	$ 106,932	$ 7,237

The City had $184,268 of interest expense for the business type activities. No interest was capitalized during the period.

11. TRANSFERS

The City had transfers as follows for the year ended September 30, 2024:

$ 69,626 To Move ARPA funds back to the General Fund from Snowhaven Fund

12. LESSOR AGREEMENTS

The City leases farm land and parcels of land for communication towers. The leases are at 5-year intervals with multiple businesses and can be renewed for additional 5-year terms.

Lease income for the year ended September 30, 2024 was $52,670.

Future lease payments expected to be received for years ending:

Year Ending September 30,	Amount
2025	$42,563
2026	17,348
2027	$8,490
2028	$8,659
	$77,060

13. INTERFUND BALANCES

The Water Fund purchased land on behalf of the General Fund. The General Fund has an interfund payable to repay the Water Fund for the land. As of September 30, 2024 the General Fund owed the Water Fund $231,790.

REQUIRED SUPPLEMENTAL INFORMATION

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

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues				
Property Taxes	$ 804,057	$ 804,057	$ 805,596	$ 1,539
Licenses and Permits	45,500	45,500	36,535	(8,965)
Intergovernmental	353,224	353,224	338,782	(14,442)
Charges for Services	12,000	12,000	12,000	-
Grants & Contributions	-	-	723	723
Interest Income	-	-	95,327	95,327
Other	32,515	32,515	72,161	39,646
Total Revenues	1,247,296	1,247,296	1,361,124	113,828
Expenditures				
Current:				
General Government	446,900	446,900	427,272	19,628
Public Safety	953,250	953,250	871,213	82,037
Capital Outlay	79,039	91,539	91,920	(381)
Total Expenditures	1,479,189	1,491,689	1,390,405	101,284
Excess (Deficiency) of Revenues Over Expenditures	(231,893)	(244,393)	(29,281)	215,112
Other Financing Sources (Uses)				
Transfers In	-	-	69,626	69,626
Total Other Financing Sources (Uses)	-	-	69,626	69,626
Net Change in Fund Balances	(231,893)	(244,393)	40,345	284,738
Fund Balances - Beginning	231,893	244,393	1,376,944	1,132,551
Fund Balances - Ending	$ -	$ -	$ 1,417,289	$ 1,417,289

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

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues				
Property Taxes	$ 200,682	$ 200,682	$ 202,126	$ 1,444
Intergovernmental	244,807	244,807	359,865	115,058
Charges for Services	86,000	86,000	86,736	736
Interest Income	-	-	117,206	117,206
Other	21,500	21,500	20,731	(769)
Total Revenues	552,989	552,989	786,664	233,675
Expenditures				
Current:				
Salaries and Benefits	141,000	141,000	109,387	31,613
Maintenance and Operations	385,350	385,350	222,023	163,327
Capital Outlay	341,500	341,500	42,519	298,981
Total Expenditures	867,850	867,850	373,929	493,921
Net Change in Fund Balances	(314,861)	(314,861)	412,735	727,596
Fund Balances - Beginning	314,861	314,861	1,959,727	1,644,866
Fund Balances - Ending	$ -	$ -	$ 2,372,462	$ 2,372,462

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

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues				
Property Taxes	$ 71,241	$ 71,241	$ 71,999	$ 758
Licenses and Permits	-	-	-	-
Intergovernmental	111,744	111,744	100,580	(11,164)
Charges for Services	42,300	42,300	47,669	5,369
Grants & Contributions	-	-	82,026	82,026
Interest Income	-	-	49,498	49,498
Other	700	700	2,620	1,920
Total Revenues	225,985	225,985	354,392	128,407
Expenditures				
Current:				
Salaries and Benefits	-	-	-	-
Maintenance and Operations	211,500	211,500	172,450	39,050
Capital Outlay	116,500	146,500	146,156	344
Total Expenditures	328,000	358,000	318,606	39,394
Excess (Deficiency) of Revenues Over Expenditures	(102,015)	(132,015)	35,786	167,801
Other Financing Sources (Uses)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Gain/(Loss) on Sale of Assets	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	(102,015)	(132,015)	35,786	167,801
Fund Balances - Beginning	102,015	132,015	850,269	718,254
Fund Balances - Ending	$ -	$ -	$ 886,055	$ 886,055

1. BUDGETS AND BUDGETARY ACCOUNTING

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

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

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

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

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

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

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

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

Year	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability	City's Covered Employee Payroll	City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2024	0.0236086%	$ 883,112	$ 1,115,131	79.19%	85.54%
2023	0.0226319%	903,163	978,720	92.28%	83.83%
2022	0.0246832%	972,210	993,711	97.84%	83.09%
2021	0.0262610%	(20,740)	965,168	-2.15%	100.36%
2020	0.0247508%	574,746	892,809	64.38%	88.22%
2019	0.0266313%	303,989	908,350	33.47%	93.79%
2018	0.0258488%	381,274	820,986	46.44%	91.69%
2017	0.0276946%	435,312	821,952	52.96%	90.68%
2016	0.0273786%	555,006	797,072	69.63%	87.26%
2015	0.0270404%	356,078	758,865	46.92%	91.38%

Data reported is measured as of June 30, 2024

Schedule of City Contributions

Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	City's Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2024	$ 136,073	$ 136,073	$ -	$ 1,115,131	12.20%
2023	117,702	117,702	-	978,720	12.03%
2022	119,843	119,843	-	993,711	12.06%
2021	116,437	116,437	-	965,168	12.06%
2020	107,647	107,647	-	892,809	12.06%
2019	104,978	104,978	-	908,350	11.56%
2018	93,856	93,856	-	820,986	11.43%
2017	94,005	94,005	-	821,952	11.44%
2016	91,184	91,184	-	797,072	11.44%
2015	86,753	86,753	-	758,865	11.43%

Data reported is measured as of September 30, 2024

SUPPLEMENTAL INFORMATION

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

	Budget	Actual	Variance
Taxes			
Property Taxes	$ 801,324	$ 801,008	$ (316)
Penalties and Interest	2,733	4,588	1,855
	804,057	805,596	1,539
Licenses and Permits			
Alcoholic Beverages	5,000	6,075	1,075
Building and Inspection	3,500	6,355	2,855
Animal Licenses and Impound Fees	1,000	1,353	353
Franchise Fees	36,000	22,752	(13,248)
	45,500	36,535	(8,965)
Intergovernmental			
State Liquor Apportionment	65,000	64,965	(35)
Personal Property Tax Replacement	19,261	19,251	(10)
State Revenue Sharing	264,963	250,953	(14,010)
Court Revenue	4,000	3,613	(387)
	353,224	338,782	(14,442)
Charges for Services			
Reimbursement of Services	12,000	12,000	-
	12,000	12,000	-
Other			
Grants and Contributions	-	723	723
Interest Income	-	95,327	95,327
Other Income	32,515	72,161	39,646
Transfers	-	69,626	69,626
	32,515	237,837	205,322
Total Revenue	$ 1,247,296	$ 1,430,750	$ 183,454

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

	Budget	Actual	Variance
Council			
Salaries	$ 57,000	$ 54,778	$ 2,222
Benefits	32,500	27,053	5,447
Travel and Meetings	3,000	-	3,000
	92,500	81,831	10,669
Executive			
Mayor Salary	13,100	11,979	1,121
Benefits	13,500	12,990	510
Travel and Meetings	1,500	-	1,500
	28,100	24,969	3,131
City Clerk			
Salaries	30,000	27,452	2,548
Benefits	16,000	14,800	1,200
Travel and Meetings	2,400	1,850	550
Maintenance and Repairs	100	-	100
	48,500	44,102	4,398
Elections			
Publication	-	-	-
	-	-	-
Administrative Assistant			
Salaries	15,000	14,045	955
Benefits	13,000	12,987	13
Travel and Meetings	1,500	440	1,060
Supplies	150	160	(10)
	29,650	27,632	2,018
Legal			
Professional Services	47,200	43,200	4,000
	47,200	43,200	4,000
Planning and Zoning			
Travel and Meetings	200	-	200
Publication	400	104	296
Professional Services	3,000	-	3,000
	3,600	104	3,496

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

	Budget	Actual	Variance
General Government			
Maintenance and Repairs	$ 17,500	$ 11,116	$ 6,384
Publication	2,000	1,654	346
Professional Services	122,000	103,315	18,685
Supplies	5,600	3,617	1,983
Utilities	7,850	5,994	1,856
Dues and Subscriptions	3,400	3,290	110
Printing and Binding	5,000	284	4,716
Insurance	1,500	1,019	481
Janitorial Services	3,000	2,739	261
Other Expenses	7,500	70,406	(62,906)
Economic Development	2,000	2,000	-
Capital Outlay	5,150	4,950	200
	182,500	210,384	(27,884)
Law Enforcement			
Salaries	465,950	444,782	21,168
Benefits	212,900	209,100	3,800
Travel and Meetings	4,500	1,631	2,869
Maintenance and Repairs	53,700	44,170	9,530
Professional Services	37,050	37,050	-
Supplies	19,000	19,089	(89)
Utilities	12,400	12,487	(87)
Dues and Subscriptions	500	250	250
Insurance	15,000	12,873	2,127
Gas and Oil	21,000	15,291	5,709
Training	25,000	19,937	5,063
Other Expenses	5,500	1,211	4,289
Capital Outlay	52,500	56,169	(3,669)
	925,000	874,040	50,960

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

	Budget	Actual	Variance
Fire Department			
Salaries	$ 28,600	$ 25,101	$ 3,499
Benefits	5,600	2,620	2,980
Travel and Meetings	700	748	(48)
Maintenance and Repairs	14,900	9,758	5,142
Supplies	3,300	669	2,631
Utilities	6,000	3,878	2,122
Dues and Subscriptions	200	-	200
Insurance	3,400	3,602	(202)
Janitorial Services	750	44	706
Gas and Oil	1,500	968	532
Training	3,800	2,582	1,218
Other Expenses	5,700	1,028	4,672
Capital Outlay	33,889	30,801	3,088
	108,339	81,799	26,540
Animal Control			
Travel and Meetings	1,000	-	1,000
Professional Services	1,500	1,200	300
Supplies	1,000	122	878
Utilities	1,400	1,022	378
Insurance	400	-	400
Other Expenses	1,000	-	1,000
	6,300	2,344	3,956
Building Maintenance			
Benefits	20,000	-	20,000
	20,000	-	20,000
Debt Service			
Payment of Leases	-	-	-
Total Expenditures	$ 1,491,689	$ 1,390,405	$ 101,284

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

	Library	Tort Insurance	Total
Assets			
Cash and Investments	$ 23,805	$ 17,927	$ 41,732
Receivables, Net:			
Property Taxes	2,733	1,181	3,914
Interest	-	-	-
Due from Other Governments	8,040	-	8,040
Prepaid Items	25	-	25
Restricted Investments	-	-	-
Total Assets	$ 34,603	$ 19,108	$ 53,711
Liabilities			
Accounts Payable	$ 5,369	$ -	$ 5,369
Wages Payable	1,975	-	1,975
Compensated Absences	-	-	-
Total Liabilities	7,344	-	7,344
Deferred Inflows			
Unearned Revenue - Property Tax	2,004	865	2,869
Total Deferred Inflows	2,004	865	2,869
Fund Balances			
Nonspendable	25	-	25
Restricted	25,230	18,243	43,473
Total Fund Balances	25,255	18,243	43,498
Total Liabilities, Deferred Inflows, and Fund Balances	$ 34,603	$ 19,108	$ 53,711

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

	Library	Tort Insurance	Total
Revenues			
Property Taxes	$ 71,670	$ 28,354	$ 100,024
Licenses and Permits	1,067	-	1,067
Intergovernmental	32,138	676	32,814
Charges for Services	4,113	-	4,113
Grants & Contributions	12,435	-	12,435
Interest Income	1,541	442	1,983
Other	6,116	-	6,116
Total Revenues	129,080	29,472	158,552
Expenditures			
Current:			
Salaries and Benefits	82,699	-	82,699
Maintenance and Operations	34,622	29,000	63,622
Capital Outlay	8,393	-	8,393
Total Expenditures	125,714	29,000	154,714
Net Change in Fund Balances	3,366	472	3,838
Fund Balances - Beginning	21,889	17,771	39,660
Fund Balances - Ending	$ 25,255	$ 18,243	$ 43,498

FEDERAL REPORTS

City of Grangeville, Idaho
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2024

Program Title	Assistance Listing Number	Flow Through Number	Expenditures
United States Department of Agriculture			
Direct Award			
Water and Waster Disposal Systems for Rural Communities	10.760		$ 4,158,314
Total U.S. Department of Agriculture			4,158,314
United States Department of Housing and Urban Development			
Passed through Idaho Department of Commerce			
Community Development Block Grants	14.228	ICDBG-24-11-05-PF	119,076
Total U.S. Department of Housing and Urban Development			119,076
United States Department of Treasury			
Direct Award			
Coronavirus State and Local Fiscal Recovery Funds	21.027		262,790
Total U.S. Department of Treasury			262,790
Total Federal Financial Assistance Expended			$ 4,540,180
Federal Awards Expended For Loans:			
Water and Waster Disposal Systems for Rural Communities			$ 4,158,314

City of Grangeville, Idaho
Notes to Required Supplemental Information
For the Year Ended September 30, 2023

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of City of Grangeville, Idaho under programs of the Federal Government for the year ended September 30, 2024. The information in the 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). Since the Schedule presents only a selected portion of the operations of City of Grangeville, Idaho, it is not intended to and does not present the financial position or changes in Net Position of City of Grangeville, Idaho.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, where certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

3. INDIRECT COST RATE

City of Grangeville, Idaho has not elected to use the 10-percent de minimis indirect cost rate.

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Grangeville, Idaho, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated March 7, 2025.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Grangeville, Idaho's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Zwygart John & Associates, CPAs PLLC

Nampa, Idaho
March 7, 2025

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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited City of Grangeville, 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 Grangeville, Idaho's major federal programs for the year ended September 30, 2024. City of Grangeville, 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 Grangeville, 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 (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); 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 Grangeville, 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 Grangeville, 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 laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to City of Grangeville, 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 Grangeville, Idaho's compliance based on out 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 GAAS, *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 Grangeville, Idaho's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *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 Grangeville, 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 Grangeville, 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 Grangeville, 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 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.

Zwygart John & Associates CPAS, PLLC

Nampa, Idaho
March 7, 2025

City of Grangeville, Idaho
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2024

Section I - Summary of Auditor's Results

The auditor's report expresses an unmodified opinion on the general purpose financial statements of the City of Grangeville.

Internal control over financial reporting:

Material weakness(es) identified?	☐ yes	☑ none reported
Reportable Condition(s) identified that are not considered to be a material weakness?	☐ yes	☑ none reported
Noncompliance material to financial statements noted?	☐ yes	☑ no

Federal Awards

Internal control over major programs:

Significant deficiencies disclosed?	☐ yes	☑ none reported
Material weaknesses disclosed?	☐ yes	☑ none reported

Type of auditor's report issued on compliance for major programs:

Material weakness(es) identified?	☐ yes	☑ none reported
Reportable Condition(s) identified that are not considered to be a material weakness?	☐ yes	☑ none reported
Any audit findings disclosed that are required to be reported in accordance with 2CFR SECTION 200.516(A)?	☐ yes	☑ no

The programs tested as major programs include

Federal Assistance Listing Numbers	Name of Federal Program
10.760	Water and Waste Disposal Systems for Rural Communities
21.027	Coronavirus State and Local Fiscal Recovery Fund

Dollar threshold used to distinguish between Type A and Type B programs: $750,000

Auditee qualified as low-risk auditee? ☐ yes ☑ no

Section II - Financial Statement Findings

No Matters Reported

Section III - Findings and Questioned Costs for Federal Awards

No Matters Reported