CITY OF INKOM, IDAHO

Basic Financial Statements
With Supplemental Information

September 30, 2024

CITY OF INKOM, IDAHO

Basic Financial Statements
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For the Year Ended September 30, 2024

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FINANCIAL SECTION

CITY OF INKOM, IDAHO

Statement of Net Position
September 30, 2024

ASSETS	Governmental Activities	Business Type Activities	Totals
Current assets:			
Cash & investments	$ 2,788,168	$ 1,550,346	$ 4,338,514
Receivables (net of allowances):			
Taxes	5,093	-	5,093
Accounts	195,228	50,687	245,915
Prepaid expenses	-	-	-
Due from other governments	43,059	-	43,059
Due from other funds	-	-	-
Noncurrent assets:			
Restricted cash	-	125,000	125,000
Land	48,671	718,222	766,893
Capital assets, net of depreciation	3,725,453	2,841,263	6,566,716
Total noncurrent assets	6,805,672	5,285,518	12,091,190
DEFERED OUTFLOWS OF RESOURCES			
Pension Obligations	30,314	12,042	42,356
Total deferred outflows of resources	30,314	12,042	42,356
Total assets & deferred outflows	6,835,986	5,297,560	12,133,546
LIABILITIES			
Current liabilties:			
Accounts payable & accrued exp	5,734	3,221	8,955
Compensated absences payable	16,225	6,908	23,133
Interest payable	-	9,549	9,549
Utility & other deposits	-	17,312	17,312
Due to other funds	-	-	-
Bonds & notes payable - current	-	74,196	74,196
Noncurrent liabilites:			-
Bonds payable - long term	-	2,046,984	2,046,984
Net pension liability	127,276	50,563	177,839
Total liabilities	149,235	2,208,733	2,357,968
DEFERED INFLOWS OF RESOURCES			
Employer Pension Assumption	14,626	5,810	20,436
Total deferred inflows of resources	14,626	5,810	20,436
NET POSITION			
Net investment in capital assets	3,774,124	1,438,305	5,212,429
Restricted for:			
Capital projects & debt service	-	125,000	125,000
Unrestricted	2,898,001	1,519,712	4,417,713
Total Net Position	$ 6,672,125	$ 3,083,017	$ 9,755,142

See accompanying notes to the financial statements.

CITY OF INKOM, IDAHO

Statement of Activities
For the Year Ended September 30, 2024

Functions / Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business Type Activities	Totals
Governmental Activities:							
General government	$ 174,283	$ -	$ -	$ -	$ (174,283)		$ (174,283)
Public safety	266,808	386,142	5,499	-	124,833		124,833
Highways and streets	241,025	-	-	-	(241,025)		(241,025)
Parks and recreation	52,610	894	-	-	(51,716)		(51,716)
Building and planning	51,476	-	-	-	(51,476)		(51,476)
Transportation alternatives	-	-	-	514,307	514,307		514,307
Total Governmental Activities	786,202	387,036	5,499	514,307	120,640		120,640
Business-Type Activities:							
Water	232,375	194,043	-	-		$ (38,332)	(38,332)
Sewer	241,200	225,143	-	-		(16,057)	(16,057)
Garbage	76,697	91,780	-	-		15,083	15,083
Total Business-Type Activities	550,272	510,966	-	-		(39,306)	(39,306)
Total	$ 1,336,474	$ 898,002	$ 5,499	$ 514,307	120,640	(39,306)	81,334
General Revenues							
Property Taxes					327,369	-	327,369
Franchise Fees					11,977	-	11,977
State Revenue Sharing					96,756	-	96,756
State Liquor Taxes					42,131	-	42,131
Highway Users Revenue					78,556	-	78,556
Investment Earnings					120,289	29,278	149,567
Miscellaneous (permits, rents, etc.)					11,889	2,371	14,260
Gain/loss on Sale of Assets					(534)	-	(534)
Transfers					-	-	-
Total General Revenues and Transfers					688,433	31,649	720,082
Change in Net Position					809,073	(7,657)	801,416
Net Position Beginning of Year					5,880,128	3,089,243	8,969,371
Prior Period Adjustment					(17,076)	1,431	(15,645)
Net Position Beginning of Year - Adjusted					5,863,052	3,090,674	8,953,726
Net Position End of Year					$ 6,672,125	$ 3,083,017	$ 9,755,142

See accompanying notes to the financial statements.

CITY OF INKOM, IDAHO

Balance Sheet
Governmental Funds
September 30, 2024

	General Fund	Fire Fund	Street Fund
ASSETS:			
Cash and investments	$ 828,038	$ 337,161	$ 468,475
Receivables (net of allowances):			
Taxes	3,275	-	1,450
Accounts	-	195,228	-
Due from other governments	33,059	-	10,000
Due from other funds	-	-	-
Total assets	$ 864,372	$ 532,389	$ 479,925
LIABILITIES:			
Accounts payable and accrued liabilities	$ 5,734	$ -	$ -
Deposits payable	-	-	-
Due to other funds	-	-	-
Total liabilities	5,734	-	-
DEFERRED INFLOW OF RESOURCES:			
Unavailable revenue - property taxes	2,989	-	1,319
Deferred fire contract revenue	-	195,228	-
Total deferred inflows of resources	2,989	195,228	1,319
FUND BALANCE:			
Nonspendable	-	-	-
Restricted	-	-	-
Committed	-	337,161	-
Unassigned	855,649	-	478,606
Total fund balances	855,649	337,161	478,606
Total liabilities, deferred inflow of resources and fund balances	$ 864,372	$ 532,389	$ 479,925

See accompanying notes to the financial statements.

CITY OF INKOM, IDAHO

Balance Sheet - Continued
Governmental Funds
September 30, 2024

Park Fund	Transportation Alternative Fund	Perpetual Fund	Total Governmental Funds
$ 80,966	$ 8,581	$ 1,064,947	$ 2,788,168
368	-	-	5,093
-	-	-	195,228
-	-	-	43,059
-	-	-	-
$ 81,334	$ 8,581	$ 1,064,947	$ 3,031,548
$ -	$ -	$ -	$ 5,734
-	-	-	-
-	-	-	-
-	-	-	5,734
334	-	-	4,642
-	-	-	195,228
334	-	-	199,870
-	-	-	-
-	-	-	-
81,000	8,581	1,064,947	1,491,689
-	-	-	1,334,255
81,000	8,581	1,064,947	2,825,944
$ 81,334	$ 8,581	$ 1,064,947	$ 3,031,548

See accompanying notes to the financial statements.

CITY OF INKOM, IDAHO

Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
September 30, 2024

Total Governmental Fund Balances		$ 2,825,944
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		3,774,124
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Property taxes		4,642
Contract fire revenue		195,228
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Compensated absences		(16,225)
General fund debt		-
Some liabilities, including pension obligations (liability) are not due and payable in the current period and, therefore are not reported in the funds, but are reported on the Statement of Net Position.		(127,276)
Balances at September 30, 2024:		
Deferred outflows of resources pension expense	25,306	
Deferred outflow of 2024 employer contributions	5,008	
		30,314
Deferred inflows or resources related to pensions.		(14,626)
Net Position of Governmental Activities		$ 6,672,125

See accompanying notes to the financial statements.

CITY OF INKOM, IDAHO

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

	General Fund	Fire Fund	Street Fund
Revenues:			
Taxes	$ 213,575	$ -	$ 92,987
Licenses, permits, & franchise fees	8,276	-	-
Intergovernmental	126,886	-	78,557
Charges for services	-	190,914	-
Fees and fines	32	3,600	-
Grants / Donations	-	5,499	-
Interest income	84,200	-	-
Miscellaneous	3,259	2,918	2,075
Total revenues	436,228	202,931	173,619
Expenditures:			
General government	68,794	-	-
Building and planning	51,476	-	-
Benefits	74,967	-	-
Police	83,129	-	-
Fire	-	162,214	-
Streets	-	-	108,571
Parks	-	-	-
Total expenditures	278,366	162,214	108,571
Excess of revenues over (under) expenditures	157,862	40,717	65,048
Other financing sources (uses)			
Transfers in	-	21,000	-
Transfers out	(21,000)	-	-
Bond / loan proceeds	-	-	-
Proceeds from the sale of capital assets	4,490	-	-
Total other financing sources (uses)	(16,510)	21,000	-
Net change in fund balances	141,352	61,717	65,048
Fund balance - beginning	714,297	275,444	413,558
Fund balance - ending	$ 855,649	$ 337,161	$ 478,606

See accompanying notes to the financial statements.

CITY OF INKOM, IDAHO

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

Park Fund	Transportation Alternative Fund	Perpetual Fund	Total Governmental Funds
$ 21,783	$ -	$ -	$ 328,345
3,701	-	-	11,977
12,000	-	-	217,443
894	-	-	191,808
-	-	-	3,632
-	514,307	-	519,806
-	-	36,089	120,289
5	-	-	8,257
38,383	514,307	36,089	1,401,557
-	-	-	68,794
-	544,745	-	596,221
-	-	-	74,967
-	-	-	83,129
-	-	-	162,214
-	-	-	108,571
24,499	-	-	24,499
24,499	544,745	-	1,118,395
13,884	(30,438)	36,089	283,162
-	-	-	21,000
-	-	-	(21,000)
-	-	-	-
-	-	-	4,490
-	-	-	4,490
13,884	(30,438)	36,089	287,652
67,116	39,019	1,028,858	2,538,292
$ 81,000	$ 8,581	$ 1,064,947	$ 2,825,944

See accompanying notes to the financial statements.

CITY OF INKOM, IDAHO

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

Net Change in Fund Balances - Total Governmental Funds		$ 287,652
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period:		
Fixed asset additions - purchased	$ 583,521	
Less net book value of disposed fixed assets	(5,024)	
Depreciation expense	(243,396)	
Excess of capital outlay over depreciation		335,101
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. This is the increase/(decrease) in deferred unavailable revenue.		(976)
Some fire contract revenues have been approved for reimbursement, but will not be received for several months after the City's fiscal year end. This is the increase/(decrease) in deferred unavailable revenue.		195,228
The issuance of long-term debt provides current financial resources to government funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.		
Repayment of long-term debt		-
Some expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in governmental funds. These include:		
Net change in compensated absences		851
Decrease (increase) in accrued interest		-
In the Governmental Funds, pension contributions are considered an expense, while on the statements of activities the contributions are considered a deferred outflow.		(8,783)
Change in Net Position of Governmental Activities		$ 809,073

See accompanying notes to the financial statements.

CITY OF INKOM, IDAHO

Statement of Net Position
Proprietary Funds
September 30, 2024

ASSETS	Water Fund	Sewer Fund	Garbage Fund	Totals
Current assets:				
Cash & investments	$ 492,454	$ 976,198	$ 81,694	$ 1,550,346
Receivables (net of allowances):				
Accounts	19,041	22,532	9,114	50,687
Due from other governments	-	-	-	-
Noncurrent assets:				
Restricted cash	50,000	75,000	-	125,000
Land	-	718,222	-	718,222
Capital assets, net of depreciation	926,478	1,914,785	-	2,841,263
Total assets	1,487,973	3,706,737	90,808	5,285,518
DEFERED OUTFLOWS				
Pension Obligations	4,278	6,744	1,020	12,042
Total deferred outflows of resources	4,278	6,744	1,020	12,042
Total assets & deferred outflows	1,492,251	3,713,481	91,828	5,297,560
LIABILITIES				
Current liabilities:				
Accounts payable	3,221	-	-	3,221
Compensated absences payable	-	6,908	-	6,908
Interest payable	961	8,588	-	9,549
Utility deposits	17,312	-	-	17,312
Due to other funds	-	-	-	-
Bonds & notes payable - current	43,300	30,896	-	74,196
Noncurrent liabilities:				
Bonds & notes payable	376,646	1,670,338	-	2,046,984
Net Pension Liability	17,963	28,317	4,283	50,563
Total liabilities	459,403	1,745,047	4,283	2,208,733
DEFERED INFLOWS				
Employer Pension Assumption	2,064	3,254	492	5,810
Total deferred inflows of resources	2,064	3,254	492	5,810
NET POSITION				
Net Investment in capital assets	506,532	931,773	-	1,438,305
Restricted for:				
Debt Service	50,000	75,000	-	125,000
Unrestricted	474,252	958,407	87,053	1,519,712
Total net position	$ 1,030,784	$ 1,965,180	$ 87,053	$ 3,083,017

See accompanying notes to the financial statements.

CITY OF INKOM, IDAHO

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

	Water Fund	Sewer Fund	Garbage Fund	Totals
Operating revenues:				
Charges for utilities and services	$ 190,143	$ 219,143	$ 91,780	$ 501,066
Hook-up fees	3,900	6,000	-	9,900
Other	685	1,686	-	2,371
Total operating revenues	194,728	226,829	91,780	513,337
Operating expenses:				
Salaries	41,031	64,332	9,757	115,120
Benefits	552	527	-	1,079
Engineering	2,130	6,329	-	8,459
Utilities	29,444	13,731	-	43,175
Repairs and maintenance	2,510	9,019	-	11,529
Insurance	4,000	4,000	-	8,000
Travel and training	305	180	-	485
Testing and assessments	8,870	8,428	16,683	33,981
Contract services	-	-	47,681	47,681
Radio monitoring	5,440	1,921	-	7,361
Supplies and other	93,280	10,385	2,576	106,241
Depreciation	42,625	74,889	-	117,514
Total operating expenses	230,187	193,741	76,697	500,625
Operating income (loss)	(35,459)	33,088	15,083	12,712
Non-operating revenues (expenses)				
Grant revenue	-	-	-	-
Gain/(loss) on sale of assets	-	-	-	-
Interest income	9,377	19,901	-	29,278
Interest (expense)	(2,188)	(47,459)	-	(49,647)
Total non-operating revenues (exp)	7,189	(27,558)	-	(20,369)
Income(Loss) before transfers	(28,270)	5,530	15,083	(7,657)
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Change in Net Position	(28,270)	5,530	15,083	(7,657)
Net Position Beginning of Year	1,059,054	1,958,219	71,970	3,089,243
Prior Period Adjustment	-	1,431	-	1,431
Net Position - Adjusted	1,059,054	1,959,650	71,970	3,090,674
Net Position End of Year	$ 1,030,784	$ 1,965,180	$ 87,053	$ 3,083,017

See accompanying notes to the financial statements.

CITY OF INKOM, IDAHO

Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2024

	Water Fund	Sewer Fund	Garbage Fund	Totals
Cash flows provided by operating activities:				
Receipts from customers and users	$ 186,498	$ 224,641	$ 91,132	$ 502,271
Payments to suppliers	(109,182)	(20,799)	(66,322)	(196,303)
Payments to employees	(75,667)	(93,938)	(9,757)	(179,362)
Net cash provided (used) by operating activities	1,649	109,904	15,053	126,606
Cash flows from noncapital and related financing activities:				
Grants received	-	-	-	-
Transfers from (to) other funds	-	-	-	-
Net cash provided (used) by noncapital and related financing activities	-	-	-	-
Cash flows from capital and related financing activities:				
Proceeds from long-term debt	-	-	-	-
Principal and interest paid on long-term debt	(45,346)	(77,680)	-	(123,026)
Proceeds from the sale of capital assets	-	-	-	-
Acquisition of capital assets	(89,840)	-	-	(89,840)
Net cash used by capital and related financing activities	(135,186)	(77,680)	-	(212,866)
Cash flows from investing activities:				
Interest received on Investments	9,377	19,901	-	29,278
Net cash provided by investing activities	9,377	19,901	-	29,278
Net increase (decrease) in cash	(124,160)	52,125	15,053	(56,982)
Cash at beginning of year (including restricted)	666,614	999,073	66,641	1,732,328
Cash at end of year (including restricted)	$ 542,454	$ 1,051,198	$ 81,694	$ 1,675,346
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	$ (35,459)	$ 33,088	$ 15,083	$ 12,712
Depreciation & amortization	42,625	74,889	-	117,514
(Increase) decrease in accounts receivable	(8,230)	(2,188)	(648)	(11,066)
Net non-cash pension (revenue) expense	2,707	4,283	618	7,608
Increase (decrease) in payables	6	(168)	-	(162)
Net cash provided (used) by operating activities	$ 1,649	$ 109,904	$ 15,053	$ 126,606

See accompanying notes to the financial statements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of City of Inkom have been prepared in conformity with the generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A. Reporting Entity

The City of Inkom was incorporated on July 8, 1946 in the State of Idaho. The City operates under a Mayor/Council form of government. The accompanying financial statements present the operations of the City.

For financial reporting purposes, management has considered all potential component units which are controlled or whose boards are appointed by the City Council. Control by the City was determined on the basis of budget adoption, the selection of management, the ability to significantly influence operations, accountability for fiscal matters and other factors. Based on this criteria, there were no component units included in the City's report.

B. Government-Wide Financial Statements

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

The statement of net position presents the financial condition of the governmental and business-type activities for the City at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities and for the business-type activities of the City. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

C. Fund Financial Statements

During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers property tax revenues to be available if they are collected within 60 days of the end of the current fiscal period and other revenues if they are collected within 90 days of the end of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The government reports the following major governmental funds:

The General Fund is the governments primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Fire Fund is used to account for the operation of the Fire Department. Funding is provided by fees for services rendered.

The Street Fund is used to account for the operation of the Street Department. Funding is provided by local property taxes and the City’s share of State highway taxes.

The Parks and Recreation Fund is used to account for the City’s parks and recreation activities. Funding is primarily provided by local property taxes.

The Transportation Alternatives Fund is used to account for the grants received and expenditures on a major city sidewalk construction project.

The Perpetual Fund was funded with an unrestricted gift of $1,000,000. The City plans to use the interest earned on city improvements. It is the City’s intent to leave the original gift amount invested.

The government reports the following major proprietary funds:

The Water Fund accounts for the operations of providing water to the citizens of the City.

The Sewer Fund accounts for the operations of the City's wastewater system.

The Garbage Fund accounts for the City's garbage collection.

As a general rule, the effect of interfund activity is eliminated from the government-wide financial statements. An exception to this rule is for payments from the Enterprise Funds to the General Fund for accounting and billing services rendered and rent of facilities. Elimination of these charges would distort the direct costs and program revenues of the funds involved.

Amounts reported as program revenues include charges to customers for goods and services, operating grants and contributions, and capital grants and contributions. All taxes are reported as general revenues as are internally dedicated resources.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

E. Fund Balance Classifications

Fund Balance Reserves - The City has adopted GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions". This Statement establishes criteria for classifying governmental fund balances into specifically defined classifications. Classifications are hierarchical and are based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the funds may be spent. Application of the Statement requires the City to classify and report amounts in the appropriate fund balance classifications. The City's accounting and finance policies are used to interpret the nature and/or requirements of the funds and their corresponding assignment of restricted, committed, assigned or unassigned.

The City reports the following classifications as applicable:

Non-spendable Fund Balance - Non-spendable fund balances are amounts that cannot be spent because they are either: (a) not in spendable form - such as inventory or prepaid insurance, or (b) legally or contractually required to be maintained intact - such as a trust that must be retained in perpetuity.

Restricted Fund Balance - Restricted fund balances are amounts that cannot be spent because they are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. Restrictions are placed on fund balances when legally enforceable legislation establishes a specific purpose for the funds. Legal enforceability means that the City can be compelled by an external party (e.g. citizens, public interest groups, the judiciary) to use resources created by enabling legislation only for the purposes specified by the legislation.

Committed Fund Balance - Committed fund balances are amounts that can only be used for specific purposes as a result of constraints imposed by the City Council. Amounts in the committed fund balance classification may be used for other purposes with appropriate due process by the City Council. Committed fund balances differ from restricted balances because the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

Assigned Fund Balance - Assigned fund balances are amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by: (a) the clerk/treasurer, or (b) an appointed body (e.g. a budget or finance committee) or an official to which the City Council have delegated the Agency to assign, modify, or rescind amounts to be used for specific purposes. Assigned fund balance includes: (a) all remaining amounts that are reported in governmental funds (other than the general fund) that are not classified as non-spendable, restricted, or committed, and (b) amounts in the general fund that are intended to be used for a specific purpose. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service, or permanent fund, are assigned for purposes in accordance with the nature of their fund type. Assignment within the general fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the City itself.

Unassigned Fund Balance - Unassigned fund balance is the residual classification for the general fund. This classification represents general fund balance that has not been assigned to other funds, and that has not been restricted, committed, or assigned to specific purposes within the general fund.

F. Deposits and Investments

Deposits: Custodial credit risk, in the case of deposits, is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The City has no deposit policy for custodial credit risk. At year end, none of the City's bank account balances were exposed to custodial credit risk. The City's bank accounts are held in a pooled public funds account that is fully collateralized.

Investments: Custodial credit risk, in the case of investments, is the risk that in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

Credit Risk: The City's policy is to comply with Idaho State statutes which authorize the City to invest in obligations of the United States, obligations of the State or any taxing district in the State, obligations issued by the Farm Credit System, obligations of public corporations of the State of Idaho, repurchase agreements, tax anticipation notes of the State or taxing district in the State, time deposits, savings deposits, revenue bonds of institutions of higher education, and the State Treasurer's Pool.

Interest rate risk and concentration of credit risk: The City has no policy regarding these two investment risk categories.

Fair Value of Investments

The City 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: Quoted prices for identical investments in active markets;
Level 2: Observable inputs other than quoted market prices; and,
Level 3: Unobservable inputs.

Concentration of credit risk occurs when investments are concentrated in one issuer. The City has no investment policy limiting the amount it may invest in any one issuer. At September 30, 2024, 100% of the City's cash and investments were in Time Certificates of Deposit and a money market account at D. L. Evans Bank.

G. Inventory

Inventories of repair supplies at year end are considered immaterial.

H. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, lighting systems and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than $500 and an estimated useful life in excess of three years. All material fixed assets are valued at historical cost. Donated fixed assets are valued at their estimated fair value on the date donated. When an asset is disposed of, cost and related accumulated depreciation are removed, and any gain or loss arising from its disposal is credited or charged to operations. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

Depreciation of all exhaustible fixed assets is charged as an expense against operations. Capital assets are reported net of accumulated depreciation on the statement of net assets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Buildings	25-40 years
Improvements	10-45 years
Equipment	3-10 years

I. Long-Term Liabilities

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, 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. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and fire contract revenues received more than 60 days after year end. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

J. Budgets and Budgetary Accounting

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

1. Prior to September 1, the City Clerk's office, the 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.

2. At the regular council meeting in August the tentative budget is submitted to the councilmen and cleared for publications and public comment.

3. A public hearing is held at the regular council meeting in August to obtain public comment. After public comment, the budget is finalized and legally adopted.

4. Revisions to the budget can only be made by court order, public hearing or certain emergencies as defined by law.

5. Formal budgetary integration is employed as a management control device during the year for all Funds of the City.

6. Encumbrance accounting is not used for budget purposes and appropriations lapse at year end.

K. Accumulated Unpaid Vacation, Sick Pay, and Other Employee Benefit Amounts

Accumulated unpaid vacation, sick pay, and other employee benefit amounts are accrued for the City. It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the City does not have a policy to pay any amounts when employees separate from service with the City. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

L. Encumbrances

Encumbrance accounting under which purchase orders, contracts, and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the City because it is not considered necessary at present to assure effective budgetary control or to facilitate effective cash planning and control.

M. Use of 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

N. Application of Restricted or Unrestricted Resources

The City's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

O. 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.

NOTE 2: PROPERTY TAX

The City's property taxes, levied by the second Monday of September on assessed valuation as of June 30, are payable in two equal installments for real property due December 20 and June 20. Personal taxes are payable on December 20. Assessed valuations are established by the County Assessor's office except for utility property which is established by the State and is currently at 100% of market value. Delinquent payments bear simple interest of 1% per month plus a 2% penalty. Due to the small amount of taxes not collected, no adjustment is made for delinquent taxes. Uncollected property taxes are recorded as receivable at year-end, with deferred revenue representing that portion which will not be collected within 60 days after year-end.

NOTE 3: CAPITAL ASSETS

A summary of changes in capital assets follows:

Primary Government

	Balance 9/30/2023	Additions	Deletions	Balance 9/30/2024
Governmental Activities				
Cost / Historical Value				
Land (non-depreciable)	$ 48,671	$ -	$ -	$ 48,671
Buildings and improvements	1,252,262	-	-	1,252,262
Infrastructure assets	3,784,178	583,553	-	4,367,731
Equipment	744,056	-	(31,969)	712,087
Total	5,829,167	583,553	(31,969)	6,380,751
Accumulated Depreciation:				
Buildings and improvements	618,382	37,876	-	656,258
Infrastructure assets	1,227,889	171,230	-	1,399,119
Equipment	543,905	34,290	(26,945)	551,250
Total	2,390,176	243,396	(26,945)	2,606,627
Net Book Value:				
Land (non-depreciable)	48,671	-	-	48,671
Buildings and improvements	633,880	(37,876)	-	596,004
Infrastructure assets	2,556,289	412,323	-	2,968,612
Equipment	200,151	(34,290)	(5,024)	160,837
Total	$ 3,438,991	$ 340,157	$ (5,024)	$ 3,774,124

Business-type Activities	Balance 9/30/2023	Additions	Deletions	Balance 9/30/2024
Water Fund				
Cost / Historical Value				
Land (non-depreciable)	$ -	$ -	$ -	$ -
Buildings and improvements	51,818	-	-	51,818
Infrastructure	1,916,579	29,600	-	1,946,179
Equipment	69,237	60,240	-	129,477
Total	2,037,634	89,840	-	2,127,474
Accumulated Depreciation:				
Buildings and improvements	39,942	3,569	-	43,511
Infrastructure	1,060,192	32,316	-	1,092,508
Equipment	58,237	6,740	-	64,977
Total	1,158,371	42,625	-	1,200,996
Net Book Value:				
Land (non-depreciable)	-	-	-	-
Buildings and improvements	11,876	(3,569)	-	8,307
Infrastructure	856,387	(2,716)	-	853,671
Equipment	11,000	53,500	-	64,500
Total	$ 879,263	$ 47,215	$ -	$ 926,478

	Balance 9/30/2023	Additions	Deletions	Balance 9/30/2024
Sewer Fund				
Cost / Historical Value				
Land (non-depreciable)	$ 718,222	$ -	$ -	$ 718,222
Buildings and improvements	11,075	-	-	11,075
Infrastructure	2,852,135	-	-	2,852,135
Equipment	152,867	-	-	152,867
Total	3,734,299	-	-	3,734,299
Accumulated Depreciation:				
Buildings and improvements	9,972	1,103	-	11,075
Infrastructure	926,318	64,867	-	991,185
Equipment	90,113	8,919	-	99,032
Total	1,026,403	74,889	-	1,101,292
Net Book Value:				
Land (non-depreciable)	718,222	-	-	718,222
Buildings and improvements	1,103	(1,103)	-	-
Infrastructure	1,925,817	(64,867)	-	1,860,950
Equipment	62,754	(8,919)	-	53,835
Total	$ 2,707,896	$ (74,889)	$ -	$ 2,633,007

Depreciation was charged to functions/programs of the governmental activities as follows:

General Government	$	22,590
Public Safety		21,465
Highways & Streets		171,230
Parks and recreation		28,111
Total Governmental Activities Depreciation	$	243,396

Depreciation was charged to functions/programs of the business-type activities as follows:

Water	$	42,625
Sewer		74,889
Total Business Activities Depreciation	$	117,514

All depreciable capital assets are being depreciated using the straight-line method over the respective estimated lives described in Note 1. The City elected to phase in reporting of existing infrastructure assets acquired between 1980 and 2003, as allowed for Phase 2 governments during the GASB 34 transition period. All infrastructure assets acquired during that time period have been reported with financial statements beginning with the year ended September 30, 2007. Infrastructure assets which had not previously been reported consist mainly of streets, curb and gutter, stop lights and street lights.

NOTE 4: PENSION PLAN

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

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

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

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

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

The contribution rates for employees are set by statute at 60% of the employer rate for general employees and 74% for police and firefighters. As of June 30, 2024 it was 6.71% for general employees and 9.83% for police and firefighters. The employer contribution rate is set by the Retirement Board and was 11.18% for general employees and 13.26% for police and firefighters. The City's contributions were $26,519 for the year ended September 30, 2024.

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

At September 30, 2024, the City reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2024, the City's proportion was .00475424 percent.

For the year ended September 30, 2024, the City recognized pension expense (revenue) of $(16,391). At September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 28,314	$ -
Changes in assumptions or other inputs	7,045	-
Net difference between projected and actual earnings on pension plan investments	(24,737)	-
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	-	20,437
City contributions subsequent to the measurement date	6,998	-
Total	$ 17,620	$ 20,437

The $6,998 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, 2023 the beginning of the measurement period ended June 30, 2022 and June 30, 2023 is 4.6 and 4.6 years.

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:

Year ended Sept 30	
2025	10,734
2026	33,159
2027	(5,718)
2028	(4,087)

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, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

Contributing Members, Service Retirement Members, and Beneficiaries

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

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

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

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

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

2024 Capital Market Assumptions

Asset Class	DB Plans	Sick Leave
Fixed Income	30.00%	50.00%
US/Global Equity	55.00%	39.30%
International Equity	15.00%	10.70%
Cash	0.00%	0.00%
Total	100.00%	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 Rate (6.35%)	1% Increase (7.35%)
Employer's proportionate share of the net pension liability (asset) - PERSI	$ 337,950	$ 177,839	$ 47,070

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.

Payables to the pension plan - At year end the City reported no payables to the defined benefit pension plan for legally required employer contributions and for legally required employee contributions which had been withheld from employee wages but not yet remitted to PERSI.

NOTE 5: LONG-TERM DEBT

Water Revenue Bonds:

The City upgraded its water distribution system. The project was funded by grants and a loan from the Department of Environmental Quality. The DEQ loan carries an interest rate of .5%. The outstanding balance is to be repaid as follows:

FYE	Payment	Interest	Principal	Balance
				$ 419,946
2025	45,346	2,046	43,300	376,646
2026	45,346	1,829	43,517	333,129
2027	45,346	1,611	43,735	289,394
2028	45,346	1,392	43,954	245,440
2029	45,346	1,172	44,174	201,266
2030 - 2034	203,798	2,532	201,266	-
	$ 430,527	$ 10,581	$ 419,946	

Sewer Revenue Bonds:

The City upgraded its sewer distribution system. Funding is provided by United States Department of Agriculture (USDA) grants and loans. The USDA revenue bonds carry an interest rate of 2.75%. The outstanding balance is to be repaid as follows:

FYE	Payment	Interest	Principal	Balance
				$ 1,701,234
2025	77,680	46,784	30,896	1,670,338
2026	77,680	45,934	31,746	1,638,593
2027	77,680	45,061	32,619	1,605,974
2028	77,680	44,164	33,516	1,572,458
2029	77,680	43,243	34,437	1,538,021
2030 - 2034	388,400	201,476	186,924	1,351,097
2035 - 2039	388,400	174,321	214,079	1,137,017
2040 - 2044	388,400	143,221	245,179	891,838
2045 - 2049	388,400	107,603	280,797	611,041
2050 - 2054	388,400	66,810	321,590	289,451
2055 - 2060	309,575	20,123	289,451	-
	$ 2,639,975	$ 938,740	$ 1,701,234	

A summary of changes in long-term debt is as follows:

	Balance at 9/30/2023	Additions	Reductions	Balance at 9/30/2024	Due within 1 year
DEQ - Water	463,011	-	(43,065)	419,946	43,300
USDA - Sewer	1,731,303	-	(30,069)	1,701,234	30,896
Totals	$ 2,194,314	$ -	$ (73,134)	$ 2,121,180	

Compensated absences:

Changes in compensated absences for the year are as follows:

	Beginning Balance	Ending Balance	Increase/ (Decrease)
General Fund	$ 17,076	$ 16,225	$ (851)
Sewer Fund	7,318	6,953	(365)
Totals	$ 24,394	$ 23,178	$ (1,216)

NOTE 6: RISK MANAGEMENT/INSURANCE COVERAGE

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has transferred most of its risk by purchasing commercial insurance.

Worker's Compensation insurance is purchased through the Idaho State Insurance Fund.

NOTE 7: LITIGATION AND CONTINGENT LIABILITIES

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

NOTE 8: RESTRICTED CASH

As per the terms of Sewer Revenue Bond Series 2018, identified in the financial statements as Bonds Payable USDA, the City agreed to deposit in a separate account an amount equal to one-tenth of an annual payment every year until the reserve equals the annual payment. The City is in compliance with these bond requirements.

NOTE 9: PRIOR PERIOD ADJUSTMENTS

The audited financial statements include adjustments to beginning net position amounts due to prior period adjustments. The adjustments are due to two changes, correcting the USDA note payable amount in the sewer fund, and adjusting for the prior year accrued compensated absences balance in the general fund and sewer fund.

NOTE 10: SUBSEQUENT EVENTS

Subsequent events were evaluated through January 28, 2025 the audit report date, which is the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTAL INFORMATION

CITY OF INKOM, IDAHO

Schedule of Employer's Share of Net Pension Liability
Schedule of Employer Contributions
For the Year Ended September 30, 2024

Schedule of Employer's Share of Net Pension Liability
PERSI - Base Plan
Last 10 Fiscal Years *

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Employer's portion of the net pension liability	0.006468%	0.005995%	0.006015%	0.005223%	0.005226%	0.005385%	0.005762%	0.005526%	0.005560%	0.004754%
Employer's proportionate share of the net pension liability	$ 85,172	$ 121,528	$ 94,541	$ 81,467	$ 59,656	$ 125,040	$ (4,551)	$ 217,647	$ 221,874	$ 177,839
Employer's covered-employee payroll	$ 192,169	$ 178,936	$ 188,125	$ 174,206	$ 178,345	$ 198,380	$ 215,883	$ 220,675	$ 236,873	$ 217,429
Employer's proportionate share of the net pension liability as a percentage of its covered employee payroll	44.32%	67.92%	50.25%	46.76%	33.45%	63.03%	-2.11%	98.63%	93.67%	81.79%
Plan fiduciary net position as a percentage of the total pension liability	91.38%	87.26%	90.68%	91.69%	93.79%	88.22%	100.36%	83.09%	83.83%	85.54%

Data reported is measured as of June 30, 2024 (measurement date)

**GASB Statement No. 68 requires ten years of information to be presented in this table however, until a full 10-year trend is compiled, the City will present information for years which information is available.*

Schedule of Employer Contributions
PERSI - Base Plan
Last 10 Fiscal Years *

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Statutorily required contribution	$ 21,157	$ 17,821	$ 20,282	$ 21,448	$ 19,998	$ 21,126	$ 22,750	$ 25,588	$ 24,283	$ 24,309
Contributions in relation to the statutorily required contribution	$ 20,778	$ 20,120	$ 21,434	$ 20,388	$ 20,386	$ 23,189	$ 25,984	$ 26,326	$ 26,488	$ 26,519
Contribution (deficiency) excess	(379)	2,299	1,152	(1,060)	388	2,063	3,234	738	2,205	2,210
Employer’s covered-employee payroll	$ 192,169	$ 178,936	$ 188,125	$ 174,206	$ 178,345	$ 198,380	$ 215,883	$ 220,675	$ 236,873	$ 217,429
Contributions as a percentage of covered-employee payroll	11.01%	9.96%	10.78%	12.31%	11.21%	10.65%	10.54%	11.60%	10.25%	11.18%

Data reported is measured as of September 30, 2024

**GASB Statement No. 68 requires ten years of information to be presented in this table however, until a full 10-year trend is compiled, the City will present information for years which information is available.*

CITY OF INKOM, IDAHO

Statement of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual - General Fund
For the Year Ended September 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget: Favorable (Unfavorable)
Revenues:				
Taxes	$ 198,214	$ 198,214	$ 213,575	$ 15,361
Licenses, permits, & franchise fees	18,000	18,000	8,276	(9,724)
Intergovernmental	134,000	134,000	126,886	(7,114)
Charges for services	-	-	-	-
Fees and fines	5,000	5,000	32	(4,968)
Grants / Donations	-	-	-	-
Interest income	90,000	90,000	84,200	(5,800)
Miscellaneous	21,186	21,186	3,259	(17,927)
Total revenues	466,400	466,400	436,228	(30,172)
Expenditures:				
Salaries	175,114	175,114	160,530	14,584
Benefits	71,026	71,026	51,357	19,669
Utilities	10,560	10,560	3,541	7,019
Maintenance	7,200	7,200	880	6,320
Insurance	3,500	3,500	3,500	-
Supplies and other	79,500	79,500	57,707	21,793
Capital outlay	98,500	98,500	-	98,500
Total expenditures	445,400	445,400	277,515	167,885
Excess of revenues over (under) expenditures	21,000	21,000	158,713	137,713
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	(21,000)	(21,000)	(21,000)	-
Bond / loan proceeds	-	-	-	-
Proceeds from the sale of capital assets	-	-	4,490	4,490
Total other financing sources (uses)	(21,000)	(21,000)	(16,510)	4,490
Net change in fund balances	-	-	142,203	142,203
Fund balance - beginning	697,221	697,221	714,297	697,221
Fund balance - ending	$ 697,221	$ 697,221	$ 856,500	$ 839,424

See accompanying notes to the financial statements.

CITY OF INKOM, IDAHO

Statement of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual - Fire Fund
For the Year Ended September 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget: Favorable (Unfavorable)
Revenues:				
Taxes	$ -	$ -	$ -	$ -
Licenses, permits, & franchise fees	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	300,000	300,000	190,914	(109,086)
Fees and fines	10,000	10,000	3,600	(6,400)
Grants / Donations	416,000	416,000	5,499	(410,501)
Interest income	-	-	-	-
Miscellaneous	45,862	45,862	2,918	(42,944)
Total revenues	771,862	771,862	202,931	(568,931)
Expenditures:				
Salaries	236,524	236,524	80,339	156,185
Benefits	2,888	2,888	696	2,192
Utilities	5,150	5,150	3,462	1,688
Maintenance	37,000	37,000	17,195	19,805
Insurance	6,800	6,800	5,281	1,519
Supplies and other	88,500	88,500	55,241	33,259
Capital outlay	416,000	416,000	-	416,000
Total expenditures	792,862	792,862	162,214	630,648
Excess of revenues over (under) expenditures	(21,000)	(21,000)	40,717	61,717
Other financing sources (uses)				
Transfers in	21,000	21,000	21,000	-
Transfers out	-	-	-	-
Bond / loan proceeds	-	-	-	-
Proceeds from the sale of capital assets	-	-	-	-
Total other financing sources (uses)	21,000	21,000	21,000	-
Net change in fund balances	-	-	61,717	61,717
Fund balance - beginning	275,444	275,444	275,444	275,444
Fund balance - ending	$ 275,444	$ 275,444	$ 337,161	$ 337,161

See accompanying notes to the financial statements.

CITY OF INKOM, IDAHO

Statement of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual - Street Fund
For the Year Ended September 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget: Favorable (Unfavorable)
Revenues:				
Taxes	$ 85,000	$ 85,000	$ 92,987	$ 7,987
Licenses, permits, & franchise fees	20,000	20,000	-	(20,000)
Intergovernmental	95,000	95,000	78,557	(16,443)
Charges for services	15,000	15,000	-	(15,000)
Fees and fines	20,000	20,000	-	(20,000)
Grants / Donations	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	64,137	64,137	2,075	(62,062)
Total revenues	299,137	299,137	173,619	(125,518)
Expenditures:				
Salaries	41,087	41,087	37,855	3,232
Benefits	-	-	-	-
Utilities	15,500	15,500	10,103	5,397
Maintenance	16,000	16,000	5,380	10,620
Insurance	5,500	5,500	3,170	2,330
Supplies and other	16,050	16,050	13,255	2,795
Capital outlay	205,000	205,000	38,808	166,192
Total expenditures	299,137	299,137	108,571	190,566
Excess of revenues over (under) expenditures	-	-	65,048	65,048
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Bond / loan proceeds	-	-	-	-
Proceeds from the sale of capital assets	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	65,048	65,048
Fund balance - beginning	413,558	413,558	413,558	413,558
Fund balance - ending	$ 413,558	$ 413,558	$ 478,606	$ 478,606

See accompanying notes to the financial statements.

CITY OF INKOM, IDAHO

Statement of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual - Park Fund
For the Year Ended September 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget: Favorable (Unfavorable)
Revenues:				
Taxes	$ 21,800	$ 21,800	$ 21,783	$ (17)
Licenses, permits, & franchise fees	10,000	10,000	3,701	(6,299)
Intergovernmental	12,000	12,000	12,000	-
Charges for services	10,000	10,000	894	(9,106)
Fees and fines	-	-	-	-
Grants / Donations	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	12,412	12,412	5	(12,407)
Total revenues	66,212	66,212	38,383	(27,829)
Expenditures:				
Salaries	16,987	16,987	15,764	1,223
Benefits	-	-	-	-
Utilities	1,775	1,775	1,703	72
Maintenance	12,500	12,500	884	11,616
Insurance	3,300	3,300	2,838	462
Supplies and other	11,650	11,650	3,310	8,340
Capital outlay	20,000	20,000	-	20,000
Total expenditures	66,212	66,212	24,499	41,713
Excess of revenues over (under) expenditures	-	-	13,884	13,884
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Bond / loan proceeds	-	-	-	-
Proceeds from the sale of capital assets	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	13,884	13,884
Fund balance - beginning	67,116	67,116	67,116	67,116
Fund balance - ending	$ 67,116	$ 67,116	$ 81,000	$ 81,000

See accompanying notes to the financial statements.

CITY OF INKOM, IDAHO

Statement of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual - Transportation Alternative Fund
For the Year Ended September 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget: Favorable (Unfavorable)
Revenues:				
Taxes	$ -	$ -	$ -	$ -
Licenses, permits, & franchise fees	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fees and fines	-	-	-	-
Grants / Donations	357,000	600,000	514,307	(85,693)
Interest income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	357,000	600,000	514,307	(85,693)
Expenditures:				
Salaries	-	-	-	-
Benefits	-	-	-	-
Utilities	-	-	-	-
Maintenance	-	-	-	-
Insurance	-	-	-	-
Supplies and other	-	-	-	-
Capital outlay	357,000	600,000	544,745	55,255
Total expenditures	357,000	600,000	544,745	55,255
Excess of revenues over (under) expenditures	-	-	(30,438)	(30,438)
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Bond / loan proceeds	-	-	-	-
Proceeds from the sale of capital assets	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	(30,438)	(30,438)
Fund balance - beginning	39,019	39,019	39,019	39,019
Fund balance - ending	$ 39,019	$ 39,019	$ 8,581	$ 8,581

See accompanying notes to the financial statements.

CITY OF INKOM, IDAHO

Statement of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual - Perpetual Fund
For the Year Ended September 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget: Favorable (Unfavorable)
Revenues:				
Taxes	$ -	$ -	$ -	$ -
Licenses, permits, & franchise fees	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fees and fines	-	-	-	-
Grants / Donations	-	-	-	-
Interest income	48,000	48,000	36,089	(11,911)
Miscellaneous	-	-	-	-
Total revenues	48,000	48,000	36,089	(11,911)
Expenditures:				
Salaries	-	-	-	-
Benefits	-	-	-	-
Utilities	-	-	-	-
Maintenance	-	-	-	-
Insurance	-	-	-	-
Supplies and other	-	-	-	-
Capital outlay	48,000	48,000	-	48,000
Total expenditures	48,000	48,000	-	48,000
Excess of revenues over (under) expenditures	-	-	36,089	36,089
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Bond / loan proceeds	-	-	-	-
Proceeds from the sale of capital assets	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	36,089	36,089
Fund balance - beginning	1,028,858	1,028,858	1,028,858	1,028,858
Fund balance - ending	$ 1,028,858	$ 1,028,858	$ 1,064,947	$ 1,064,947

See accompanying notes to the financial statements.

Finding 2024-1: Lack of segregation of duties

Condition: The City lacks a segregation of duties over accounting functions, including stewardship of cash and cash equivalents.

Criteria: Inherent in an adequate internal control structure is a segregation of duties governing the overall administration and stewardship of assets.

Effect: The lack of an ideal segregation of duties may increase the risk that loss of assets would not be detected and prevented in a timely manner and in the normal course of operations.

Recommendation: It is suggested the City take such actions as hiring another person to assist in accounting duties, including the reconciling of cash and cash equivalents.

Response: City management believes the cost of hiring another person outweighs the benefit to be derived, as mitigating controls are currently in place such as council review of all disbursements, two signatures required on all checks, and periodic council review of financial reports prepared by the clerk.