CITY OF KIMBERLY
KIMBERLY, IDAHO
ANNUAL FINANCIAL REPORT
SEPTEMBER 30, 2024

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TABLE OF CONTENTS

Independent Auditor's Report	1 - 3
Statement of Net Position	4 - 7
Statement of Activities	8 - 9
Balance Sheet	10
Statement of Revenues, Expenditures and Changes in Fund Balance	11
Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Activities	12
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities	13
Statement of Net Position - Proprietary Fund	14 - 15
Statement of Revenues, Expenses, and Changes in Net Position	16
Statement of Cash Flows - Proprietary Fund	17 - 18
Notes to Basic Financial Statements	19 - 39
Required Supplementary Information	40
Budgetary Comparison Schedule -	
General Fund	41
Library Fund	42
Schedule of Employer's Share of Net Pension Liability	43
Schedule of Employer's Contributions	43
Notes to Required Supplementary Information	44 - 45
Supplemental Information	46
Combining Schedule of Net Position - Proprietary Funds	47 - 48
Combining Schedule of Revenue, Expenses and Changes in Net Position - Proprietary Funds	49
Combining Schedule of Cash Flows - Proprietary Funds	50 - 51
Report on Compliance and Internal Control	52 - 53
Schedule of Findings and Responses	54

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INDEPENDENT AUDITOR'S REPORT

Mayor and City Council
City of Kimberly
Kimberly, Idaho 83341

January 20, 2025

Report on the Audit of the Financial Statements
Opinions

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

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Kimberly as of September 30, 2024, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud

may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

I am 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 I identified during the audit.

Required Supplementary Information

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

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, schedule of employer's share of net pension liability and schedule of employer's contribution, as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated January 20, 2025, on my consideration of the City of Kimberly's internal control over financial reporting and on my 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 my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Kimberly's internal control over financial reporting or on compliance. That report

is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Kimberly's internal control over financial reporting and compliance

R. Michael Burr

R. Michael Burr
Certified Public Accountant

CITY OF KIMBERLY
KIMBERLY, IDAHO
STATEMENT OF NET POSITION
SEPTEMBER 30, 2024

	Governmental Activities	
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$ 3,069,830	
Restricted - Cash and Cash Equivalents	217,073	
Investments	3,560,575	
Restricted - Investments	15,499	
Inventory	8,856	
Net Receivables	279,708	
TOTAL CURRENT ASSETS		$ 7,151,541
NONCURRENT ASSETS		
Long-Term Receivables	$ 15,376	
Capital Assets (non-depreciated)	653,820	
Capital Assets (net)	8,854,766	
TOTAL NONCURRENT ASSETS		9,523,962
TOTAL ASSETS		16,675,503
DEFERRED OUTFLOWS OF RESOURCES		
Pension Obligations	$ 185,476	
TOTAL DEFERRED OUTFLOWS OF RESOURCES		185,476
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable	$ 46,116	
Development Impact Fee Payable	150,515	
Deposits Payable	207,355	
Accrued Interest Payable	2,462	
Current Portion of Long-term Debt	12,707	
TOTAL CURRENT LIABILITIES		419,155
NONCURRENT LIABILITIES		
Compensated Absences	$ 93,284	
Net Pension Liability	831,346	
Capital Lease Payable (net of current portion)	51,540	
Bond Payable (net of current portion)		
TOTAL NONCURRENT LIABILITIES		976,170
TOTAL LIABILITIES		1,395,325

Business-type Activities		Total	
$ 6,847,819		$ 9,917,649	
		217,073	
3,867,300		7,427,875	
		15,499	
		8,856	
157,371		437,079	
	$ 10,872,490		$ 18,024,031
		$ 15,376	
$ 176,096		829,916	
12,275,876		21,130,642	
	12,451,972		21,975,934
	23,324,462		39,999,965
$ 87,420		$ 272,896	
	87,420		272,896
$ 35,975		$ 82,091	
		150,515	
170,232		377,587	
1,011		3,473	
180,506		193,213	
	387,724		806,879
		$ 93,284	
$ 391,837		1,223,183	
		51,540	
3,298,596		3,298,596	
	3,690,433		4,666,603
	4,078,157		5,473,482

Continued

CITY OF KIMBERLY
KIMBERLY, IDAHO
STATEMENT OF NET POSITION
SEPTEMBER 30, 2024

	Governmental Activities	
DEFERRED INFLOWS OF RESOURCES		
Pension Sources	$ 0	
TOTAL DEFERRED INFLOWS OF RESOURCES		$ 0
NET POSITION		
Invested in Capital Assets, net of related debt	$ 9,441,877	
Non-spendable:		
Inventory	8,856	
Restricted for:		
Library	61,641	
HB312 - Street	15,605	
Asset Forfeiture - Police	3,577	
Unrestricted	5,934,098	
TOTAL NET POSITION		$ 15,465,654

See accompanying notes to the basic financial statements

Business-type Activities		Total	
$ 0		$ 0	
	$ 0		$ 0
$ 8,971,859		$ 18,413,736	
		8,856	
		61,641	
		15,605	
		3,577	
10,361,866		16,295,964	
	$ 19,333,725		$ 34,799,379

CITY OF KIMBERLY
KIMBERLY, IDAHO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2024

Primary Government Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Governmental Activities:				
Administration and General Gov't.	$ 493,067	$ 10,402		
Planning and Zoning	340,038	163,133		
Police Department	1,061,405	146,735		
Community Service	124,530	3,569		
Street Department	480,900		$ 486,051	
Sanitation Department	276,949	246,033		
Park Department	112,778			
Library Services	132,604	5,488		
Debt Service - Interest on Debt	2,617			
Total Governmental Activities	3,024,888	575,360	486,051	$ 0
Business-Type Activities				
Water Fund	1,014,768	1,268,898		
Sewer Fund	782,250	1,249,743		
Total Business-Type Activities	1,797,018	2,518,641	0	0
Total Primary Government	$ 4,821,906	$ 3,094,001	$ 486,051	$ 0
General Revenue				
Property Taxes				
Other Tax Revenue				
Franchise Revenue				
State Programs/Revenue				
Court Fines/Settlements				
Other Revenue				
Sale of Capital Assets				
Contributed Capital Assets				
Investment Earnings				
Total General Revenue				
Changes in Net Position				
Net Position - Beginning				
Net Position - Ending				

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
$ (482,665)		$ (482,665)
(176,905)		(176,905)
(914,670)		(914,670)
(120,961)		(120,961)
5,151		5,151
(30,916)		(30,916)
(112,778)		(112,778)
(127,116)		(127,116)
(2,617)		(2,617)
(1,963,477)		(1,963,477)
	$ 254,130	254,130
	467,493	467,493
0	721,623	721,623
(1,963,477)	721,623	(1,241,854)
1,565,580		1,565,580
220,933		220,933
72,460		72,460
590,086		590,086
28,703		28,703
52,314		52,314
1,000		1,000
176,991	125,214	302,205
644,326	148,079	792,405
3,352,393	273,293	3,625,686
1,388,916	994,916	2,383,832
14,076,738	18,338,809	32,415,547
$ 15,465,654	$ 19,333,725	$ 34,799,379

CITY OF KIMBERLY
KIMBERLY, IDAHO
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024

	General Fund	Library Fund	Total Governmental Funds
ASSETS			
Cash and Cash Equivalents	$ 3,069,826		$ 3,069,826
Restricted Cash and Cash Equivalents	159,121	$ 57,956	217,077
Investments	3,560,575		3,560,575
Restricted Investments		15,499	15,499
Property Taxes Receivable	20,159		20,159
Accounts Receivable	44,384		44,384
Due From Other Governments	230,541		230,541
TOTAL ASSETS	$ 7,084,606	$ 73,455	$ 7,158,061
LIABILITIES			
Accounts Payable	$ 44,878	$ 1,238	$ 46,116
Development Impact Fee Payable	139,939	10,576	150,515
Deposits Payable	207,355		207,355
TOTAL LIABILITIES	392,172	11,814	403,986
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows from Property Taxes	15,376		15,376
TOTAL DEFERRED INFLOWS OF RESOURCES	15,376	0	15,376
FUND BALANCES			
Restricted - Police Asset Forfeiture	3,577		3,577
Restricted - HB312 Street Fund	15,605		15,605
Restricted - Library		61,641	61,641
Unassigned	6,657,876		6,657,876
TOTAL FUND BALANCES	6,677,058	61,641	6,738,699
TOTAL LIABILITIES AND FUND BALANCES	$ 7,084,606	$ 73,455	$ 7,158,061

See accompanying notes to the basic financial statements

CITY OF KIMBERLY
KIMBERLY, IDAHO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

REVENUES	General Fund	Library Fund	Total Governmental Funds
Property Taxes	$ 1,432,193	$ 139,950	$ 1,572,143
Other Tax Revenue	220,933		220,933
Franchise Revenue	72,460		72,460
Business Licenses and Permits	5,413		5,413
Non-business Licenses and Permits	4,989		4,989
State Revenue	1,076,137		1,076,137
Planning & Zoning Revenue	163,133		163,133
Sanitation Revenue	246,033		246,033
Police Department Revenue/Grants	174,713		174,713
Other General Revenue and Donations	47,608	5,488	53,096
TOTAL REVENUES	3,443,612	145,438	3,589,050
EXPENDITURES			
Administration and General Government	531,715		531,715
Planning and Zoning	316,031		316,031
Police Department	1,066,941		1,066,941
Community Service	120,628		120,628
Street Department	302,227		302,227
Sanitation Department	269,356		269,356
Park Department	163,868		163,868
Library Services		131,106	131,106
TOTAL EXPENDITURES	2,770,766	131,106	2,901,872
EXCESS REVENUES OVER (UNDER) EXPENDITURES	672,846	14,332	687,178
OTHER FINANCING SOURCES (USES)			
Proceeds from Debt Financing	41,874		41,874
Sale of Capital Assets	10,000		10,000
Investment Revenue	643,525	801	644,326
TOTAL OTHER FINANCING SOURCES (USES)	695,399	801	696,200
EXCESS REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	1,368,245	15,133	1,383,378
FUND BALANCE - BEGINNING	5,308,813	46,508	5,355,321
FUND BALANCE - ENDING	$ 6,677,058	$ 61,641	$ 6,738,699

See accompanying notes to the basic financial statements

CITY OF KIMBERLY
KIMBERLY, IDAHO
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
SEPTEMBER 30, 2024

Total Governmental Fund Balances		$ 6,738,699
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 fund balances, $653,820 non-depreciated assets and $12,655,817 net of accumulated depreciation of $3,801,051.	$ 9,508,586	
Supplies purchased are reported as expenditures for fund reporting but are expensed as used for government-wide statements.	8,856	
Interest is recorded when paid for funds but is reported when payable in the current period for government wide statements.	(2,462)	
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	15,376	
Amounts resulting from pension liabilities as a result of GASB 68 are not recorded in the fund statements:		
-Deferred Outflows Pension Obligations	185,476	
-Deferred Inflows Pension Sources	0	
-Net Pension Asset (Liability)	(831,346)	
Long-term liabilities, including bonds payable and compensated absences payable, are not due and payable in the current period and, therefore, are not reported in the funds:		
Compensated Absences	(93,284)	
Capital Leases	(64,247)	
Net Changes		8,726,955
Net Position of Governmental Activities		$ 15,465,654

See accompanying notes to the basic financial statements

CITY OF KIMBERLY
KIMBERLY, IDAHO
RECONCILIATION OF 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 - Governmental Fund Balances		$ 1,383,378
Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:		
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.		
- Depreciation	(330,009)	
- Capital Outlay	484,207	
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	(6,563)	
In the Statement of Activities, interest is accrued on outstand bonds, whereas in governmental funds, an interest expenditure is reported when due.	(501)	
In the fund financial statements, compensated absences are reported when paid, while in the Statement of Activities, compensated absences are reported when earned.	(26,692)	
Changes in net pension liability and related pension source deferred outflow and deferred inflow of resources do not provide or require current financial resources and therefore are not reflected in the funds.	(107,531)	
Capital leasing activities are reported as lease payments and other financing sources in fund accounting but the government-wide statements report it as an increase/decrease to long-term debt on the Statement of Net Position.		
- Debt Proceeds	(41,874)	
- Principal Payment	34,501	
Net Changes		5,538
Change in Net Position of Governmental Activities		$ 1,388,916

See accompanying notes to the basic financial statements

CITY OF KIMBERLY
KIMBERLY, IDAHO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2024

	Enterprise Fund	
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$ 6,847,819	
Investments	3,867,300	
Net Receivables	157,371	
TOTAL CURRENT ASSETS		$ 10,872,490
NONCURRENT ASSETS		
Capital Assets (non-depreciated)	$ 176,096	
Capital Assets (net)	12,275,876	
TOTAL NONCURRENT ASSETS		12,451,972
TOTAL ASSETS		23,324,462
DEFERRED OUTFLOWS OF RESOURCES		
Pension Obligations	$ 87,420	
TOTAL DEFERRED OUTFLOWS OF RESOURCES		87,420
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable	$ 35,975	
Accrued Interest Payable	1,011	
Deposits Payable	170,232	
Current Portion of Long-term Debt	180,506	
TOTAL CURRENT LIABILITIES		387,724
NONCURRENT LIABILITIES		
Net Pension Liability	$ 391,837	
Bond Payable (net of current portion)	3,298,596	
TOTAL NONCURRENT LIABILITIES		3,690,433
TOTAL LIABILITIES		4,078,157

See accompanying notes to the basic financial statements

	Enterprise Fund	
DEFERRED INFLOWS OF RESOURCES		
Pension Sources	$ 0	
TOTAL DEFERRED INFLOWS OF RESOURCES		$ 0
NET POSITION		
Invested in Capital Assets, net of related debt	$ 8,971,859	
Unrestricted	10,361,866	
TOTAL NET POSTION		$ 19,333,725

CITY OF KIMBERLY
KIMBERLY, IDAHO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Enterprise Fund	
OPERATING REVENUES		
Service Fees	$ 2,051,717	
Service Hookups	312,900	
Capacity	27,242	
Late Fees and Fines	37,138	
Canal Water Shares Leased	20,000	
Pressurized Irrigation System	46,879	
Other Revenue	22,765	
TOTAL OPERATING REVENUES		$ 2,518,641
OPERATING EXPENSES		
Salaries and Benefits	$ 770,725	
Supplies	21,210	
Travel and Training	2,635	
Professional Fees	39,483	
Interceptor	159,437	
Administrative Supplies/Expenses	56,756	
Insurance	49,398	
Utilities	124,973	
Fuel	12,116	
Repairs and Maintenance	93,484	
Water/Sewer Testing and Assessments	16,262	
Depreciation	415,182	
TOTAL OPERATING EXPENSES		1,761,661
OPERATING INCOME (LOSS)		756,980
NONOPERATING REVENUES (EXPENSES)		
Investment Earnings	$ 148,079	
Contributed Capital Assets	125,214	
Interest Expense	(35,357)	
TOTAL NONOPERATING REVENUE (EXPENSES)		237,936
CHANGE IN NET POSITION		994,916
TOTAL NET POSITION - BEGINNING		18,338,809
TOTAL NET POSITION - ENDING		$ 19,333,725

See accompanying notes to the basic financial statements

CITY OF KIMBERLY
KIMBERLY, IDAHO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Enterprise Fund	
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts Form Customers	$ 2,520,841	
Payments to Suppliers	(476,526)	
Payments to Employees	(770,725)	
NET CASH PROVIDED BY OPERATING ACTIVITIES		$ 1,273,590
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Principal Paid on Capital Debt	$ (181,188)	
Interest Paid on Capital Debt	(35,357)	
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES		(216,545)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of Capital Assets	$ (170,974)	
Interest	148,079	
CASH FLOWS FROM INVESTING ACTIVITIES		(22,895)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		1,034,150
BALANCES - BEGINNING OF THE YEAR		9,680,969
BALANCES - END OF THE YEAR		$ 10,715,119
BALANCE DISPLAYED AS:		
Cash		$ 6,847,819
Investments		3,867,300
		$ 10,715,119

(Continued)

CITY OF KIMBERLY
KIMBERLY, IDAHO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Enterprise Fund
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating Income (Loss)	$ 756,980
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:	
Depreciation	415,182
(Increase) Decrease in Accounts Receivable	2,200
Increase (Decrease) in Accounts Payable	17,516
Increase (Decrease) in Accrued Interest Payable	0
Increase (Decrease) in Deferred Pension In/Outflow	65,545
Increase (Decrease) in Deposits Payable	16,167
Net Cash Provided (Used) by Operating Activities	$ 1,273,590
NON-CASH TRANSACTIONS	
Contributed Capital Assets	$ 125,214

See accompanying notes to the basic financial statements

NOTES TO BASIC
FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. INTRODUCTION

The City of Kimberly, Idaho, operates under a Council-Mayor form of government. The City's major operations include park, public works and general administrative services. In addition, the City owns and operates a water and sewer system.

The accounting and reporting framework and the more significant accounting principles and practices of City of Kimberly are discussed in subsequent sections of this Note. The remainder of the Notes are organized to provide explanations, including required disclosures, of the City's financial activities for the year ended September 30, 2024.

The City is governed by an elected City Council which possesses final decision making authority and is held primarily accountable for those decisions. The Council is responsible for approving the budget, establishing spending limitations, funding any deficits, and borrowing funds and/or issuing bonds to finance municipal system operations and construction. All operations controlled by the Council are included within these financial statements.

The City's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the City are discussed below.

B - REPORTING ENTITY

These financial statements present the City (the primary government) and any component units of the City. As defined by GASB No. 14, component units are legally separate entities that are included in the City's reporting entity because of the significance of their operating or financial relationships with the City. Based on this definition, the City has no component units.

The City was incorporated on August 8, 1967, under the requirements of Idaho Code 50-101 and in the manner under Idaho Code 50-102. Title 50 of Idaho statutes, Municipal Corporations, dictates the laws that the City must operate under. The City is governed by an elected council and mayor that serve a four year term.

C - BASIC FINANCIAL STATEMENTS - GOVERNMENT-WIDE STATEMENTS

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The City's federal grants, state grants, debt service, capital projects, plant facilities, and general administrative services are classified as governmental activities. The City has two services classified as business-type activities.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. Neither fiduciary funds nor component units that are fiduciary in nature are included in the Statement of Net Positions.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The government-wide Statement of Activities reports both the gross and net cost of each of the City's functions and business-type activities. The functions are also supported by general government revenues (local revenue, franchise fees, state revenue, grants, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (instruction, support, administrative, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reports capital-specific grants.

The net costs (by function or business-type activity) are normally covered by general revenue (property taxes, intergovernmental revenues, interest income, etc.).

The City does not allocate indirect costs. All interfund activity has been eliminated.

This government-wide focus is more on the sustainability of the City as an entity and the change in the City's net position resulting from the current year's activities.

D - BASIC FINANCIAL STATEMENTS - FUND FINANCIAL STATEMENTS

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

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASBS No. 34 sets forth minimum criteria (percentage of the assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The City can electively add funds, as major funds, which had a specific community focus. The nonmajor funds are combined in a column in the fund financial statements. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

1. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and

2. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The funds of the financial reporting entity are described below:

GOVERNMENTAL FUNDS

General Fund - The General Fund is the primary operating fund of the City and always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Special Revenue Funds - Special revenue funds are used to account and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects

Capital Project Funds - The Capital Project Fund is used to account for resources restricted, committed or assigned for the acquisition or construction of specific capital projects or items. The reporting entity includes only one Capital Project Fund and it is used to account for the acquisition of capital assets with transfers made from the General Fund.

Debt Service Fund - The Debt Service Fund accounts for all financial resources restricted, committed or assigned for the payment of interest and principle on the general long-term debt of the City. Ad valorem taxes are used for the payment of principal and interest on the City's judgment.

PROPRIETARY FUNDS

Enterprise Funds - Enterprise funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector.

FIDUCIARY FUNDS (Not included in government-wide statements)

Agency Funds - Agency funds account for assets held by the City in a purely custodial capacity. The reporting entity includes one agency fund. Since agency funds are custodial in nature (i.e., assets equal liabilities), they do not involve the measurement of results of operations. The City has no agency funds.

E - MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-like activities are presented using the economic resources measurement focus as defined in item 2. below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

1. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. The proprietary fund utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

3. Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

BASIS OF ACCOUNTING

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. Accrual - Both governmental and business-type activities in the government-wide financial statements and the proprietary and fiduciary fund financial statements are presented on the accrual basis of accounting. Property taxes are reported in the period for which levied. Other nonexchange revenues, including intergovernmental revenues and grants, are reported when all eligibility requirements have been met. Fees and charges and other exchange revenues are recognized when earned and expenses are recognized when incurred.

1. Modified Accrual - The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. “Available” means collectible within the current period or within 60 days after year end. Property tax revenues are recognized in the period for which levied provided they are also available. Intergovernmental revenues and grants are recognized when all eligibility requirements are met and the revenues are available. Expenditures are recognized when the related liability is incurred. Exceptions to this general rule include principal and interest on general obligation long-term debt and employee vacation and sick leave, which are recognized when due and payable.

F - ASSETS, LIABILITIES, AND EQUITY

Cash and Investments

For the purpose of the Statement of Net Position, “cash and cash equivalents” includes all demand, savings accounts, and certificates of deposits of the City.

Investments are carried at fair value except for short-term U.S. Treasury obligations with a remaining maturity at the time of purchase of one year or less. Those investments are reported at amortized cost. Fair value is based on quoted market price. Additional cash and investment disclosures are presented in Note 2.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods/services type transactions are classified as “due to/from other funds.” Short-term interfund loans are reported as “interfund receivable/payable .” Long-term interfund loans (noncurrent portion) are reported as “advances to/from other funds.” Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position. See Note 8 for details of interfund transactions, including receivables and payables at year-end. All interfund activity has been eliminated in the government-wide statement of activity.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectable accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances for the governmental activities include property taxes, grants, and State foundation funding. Business-type activities report utilities and interest earnings as their major receivables.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as sales tax, franchise tax, and grants and other similar intergovernmental revenues since they are usually both measurable and available. Nonexchange transactions collectible but not available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis. Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available. Allowances for uncollectable accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

Inventories

In the government-wide statements, materials, supplies and food commodities are carried in an inventory account at the lower of cost or market and are subsequently charged to expenditures when consumed. Inventories also include plant maintenance, operating, and instructional supplies. In the fund financial statements, inventory items are recorded as expenditures when purchased.

Restricted Assets

Restricted assets include cash and investments that are legally restricted as to their use. The primary restricted assets are related to bond proceeds to be used for a capital construction project of the City and to state and federal grants. For expenditures that apply to both restricted and unrestricted resources, the City uses restricted funds first.

Encumbrance Accounting

Encumbrances for goods or purchased services are documented by purchase orders or contracts and can represent a reservation of fund balances in the governmental fund financial statements. The City does not use encumbrance accounting. Therefore, there is no reservation of fund balance.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows of Resources

Deferred outflows of resources are decreases in net assets that relate to future periods and are reported in a separate section of its government-wide and governmental funds financial statements. Deferred outflows of resources from pension obligations affect the government-wide statements and no deferred outflows effect the governmental funds financial statements in the current year.

Deferred Inflows of Resources

Deferred inflows of resources reflects an increase in net assets that applies to a future period(s) and is because the City will not recognize the related revenues until a future event occurs. The City's governmental funds report a separate section for deferred inflows of resources and has only one type of item which occurs because governmental fund revenues are not recognized until available (collected not later than 60 days after the end of the City's fiscal year) under the modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, deferred property taxes are reported in the governmental funds balance sheet. The deferred inflows of resources reported in its government-wide financial statements is a deferred amount arising from pension sources.

Capital Assets

The accounting treatment over capital assets (property, plant, and equipment) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements. For fund financial statements, the City has maintained a $500 limit before an item is recorded as a capital expenditure. The limits for the government-wide statements vary and are shown below.

Government-wide Statements

In the government-wide financial statements, fixed assets are accounted for as capital assets. All fixed assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated fixed assets which are recorded at their estimated fair value at the date of donation. Estimated historical cost was used to value the majority of the assets acquired prior to June 30, 2003.

Prior to July 1, 2003, governmental funds' infrastructure assets were not capitalized. These assets are not required to be valued and reported on the City's financial statements and the City has not elected to report them. Therefore, the value of any infrastructure assets purchased prior to July 1, 2003, are not included in these statements.

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation based on its capitalization amount. The range of estimated useful lives and capitalization limits by type of asset are as follows:

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Description	Life	Capitalization Amount
Aggregate Cost of Library Books	3	$5,000
Automobiles	5 - 10	$5,000
Office and Light-weight Equipment	5 - 10	$5,000
Heavy Equipment	7 - 20	$10,000
Buildings and Improvements	40	$15,000
Infrastructure	50	$50,000

Fund Financial Statements

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

Liability for Compensated Absences

Employees are allowed to accrue up to 200 hours of vacation per *Resolution No. 359* . Employees are allowed to use the time or be paid for it at the time the employment relationship is terminated. Amounts are paid at their current rate of pay. The liability is reported in the government-wide statements.

Long-Term Debt

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts, are deferred and amortized over the life of the bonds using the straight line method. Bond premiums are reported in the deferred inflows of resources section in the statement of net position. Bonds payable are reported net of the applicable bond premium of discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts and bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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. See note 7.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budget

The City Council adopts a budget on a basis consistent with the GAAP with minor changes for most funds. The City is required to present the adopted and final amended budget of the general fund and all other funds shown as major funds in the fund financial statements. These items are presented in the required supplementary information section following the notes to the financial statements.

The following procedures are followed in establishing the budget for the City:

1. 1) At least 28 days prior to its annual meeting, the city council shall have prepared a budget in a form prescribed by the state statute, and shall have notified the public of the budget hearing.

2. 2) At the public hearing or a special meeting held no later than 14 days after the public hearing, the city council shall adopt a budget for the ensuing year.

3. 3) The city council shall publish a summary statement of the budget in the local newspaper.

4. 4) The City may amend the budget any time during the year but the above procedures must be followed each time a budget amendment is made.

Equity Classifications (Net Position and Fund Balance)

Government-wide Financial Statements

When the City incurs an expense for which it may use either restricted or unrestricted net position, it uses restricted net position first unless unrestricted net position will have to be returned because they were not used. Net position on the Statement of Net Position include the following:

Investment in Capital Assets, Net of Related Debt - The component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unspent proceeds, that is directly attributable to the acquisition, construction or improvement of those assets.

Restricted net position—Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net position—All other net position that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

Fund Statements

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned, or unassigned.

Nonspendable Fund Balance - Includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restricted Fund Balance - Includes amounts that can be spent only for the specific purposes stipulated by the constitution, external resource providers, or through enabling legislation.

Committed Fund Balance - Includes amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision making authority, the Mayor and City Council. Formal action is done by making and approving a motion/resolution of the Mayor and City Council.

Assigned Fund Balance - Includes amounts intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. The City has not delegated authority to assign amounts to be used for specific purposes. If such assignments were allowed, they could not exceed the available (spendable, unrestricted, uncommitted) fund balance in any particular fund.

Unassigned Fund Balance - Includes the residual classification for the City's general fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classification should be used only to report a deficit balance from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

Use of Estimates

The preparation of financial statements in conformity with accounting principals generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from those estimates.

2 - CASH AND INVESTMENTS

The City's funds are required to be deposited and invested under the terms of Idaho Code Sections 50-1013 and 67-1210. Under Idaho Code, the City, at its own discretion, may invest funds in time deposits and certificates of deposits provided by the depository bank at interest rates approximating United States treasury bill rates.

The classifications of risk associated with cash and investments are concentration of credit risk, interest rate risk, credit risk, and custodial credit risk. These are defined as:

Concentration of Credit Risk - The risk of loss attributed to the magnitude of a government's investment in a single issuer.

Interest Rate Risk - The exposure to an unfavorable change in interest rates.

Credit Risk - The risk that an issuer or other counterparty to an investment will not fulfill its obligations.

2 - CASH AND INVESTMENTS (Continued)

Custodial Credit Risk - The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.

The City does not have formal investment policies to limit the concentration of credit risk or the interest rate risk.

At September 30, 2024, the City had a carrying value of cash deposits of $10,134,722 and a bank balance of $10,296,002. Based on the above definitions, the City is subject to $9,792,783 of concentration of credit risk.

Idaho Code authorizes the City to invest in obligations of the U.S. Treasury and U.S. agencies, municipal securities, certificates of deposit, and repurchase agreements. The carrying value of investments owned at year end was $7,443,374 ($4,346,928 Idaho State Local Government Investment Pool and $3,096,446 certificates of deposit), which approximates market value. Concentration of credit risk is $2,846,446.

Restrictions on cash and cash equivalents and investments are as follows:

	Cash and Equivalents	Investments	Total
Library Fund - Capital Outlay and Operations	$ 57,956	$ 15,499	$ 73,455
Development Impact Fee Payable	139,939		139,939
General Fund - HB 312	15,605		15,605
General Fund - Police Forfeiture	3,577		3,577
	$ 217,077	$ 15,499	$ 232,576

NOTE 3 - TAXES RECEIVABLE AND DEFERRED TAX REVENUES

The City's property tax is levied each October on the value listed as of the prior January 1 for all property located in the City. A revaluation of all property is required to be completed no less than every five years. The market value for the list of January 1, 2023, upon which the 2023 levy was based was $417,705,499.

The tax rates assessed, per $100 of valuation, for the year ended September 30, 2024, and maximum levy rates limited by Idaho Code Section 33-802 are as follows:

Type	Rate	Maximum Rate
General	0.3510	0.9000
Library	0.0334	0.1000

NOTE 3 - TAXES RECEIVABLE AND DEFERRED TAX REVENUES (Continued)

At September 30, 2024, the components of taxes receivable are as follows:

Year	General Fund	Library Fund	Total
2023	$ 13,442	$ 0	$ 13,442
2022	4,263	0	4,263
2021	2,454	0	2,454
Total	$ 20,159	$ 0	$ 20,159

For fund financial statements, the recognition of revenue on taxes receivable shall not exceed 60 days collection after the September 30, 2024, year end. The collections for the 60 day period have been estimated based on prior years collection percentages. Property taxes uncollected by November 30, 2024, are deferred inflows of resources. The components of deferred inflows of resources for property taxes are as follows:

Fund	Amount
General Fund	$ 15,376
Library Fund	0
Total	$ 15,376

For government-wide statements, an allowance for uncollectable taxes is calculated. However, historical information shows that the uncollectable amount is immaterial to these statements and no allowance will be recorded until it becomes a material amount. Also, the above deferred amounts are not included in the government-wide statements.

NOTE 4 - DUE FROM OTHER GOVERNMENTS

The City can participate in a variety of federal and state programs from which it receives grants to partially or fully finance certain activities. In addition, the City receives support from the State of Idaho. Amounts due from federal and state governments at September 30, 2024, are as follows:

Description - Source	General Fund
Highway User - State	$ 48,805
Highway User HB312- State	15,605
Liquor Apportionment - State	7,241
Revenue Share - State	158,890
Total	$ 230,541

NOTE 5 - RISK MANAGEMENT

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

NOTE 5 - RISK MANAGEMENT (Continued)

The City controls risk of loss by having adequate insurance coverage. The type and coverage amount, which the City believes is proper to protect the City from any losses, is listed below:

Workers Compensation Insurance	Limited by State Law
General Liability	$ 3,000,000
Boiler and Machinery	100,000,000
Auto	3,000,000
Criminal Acts	500,000
Errors and Omissions	3,000,000
Real and Personal Property	Replacement Value
Chemical Spraying	500,000

NOTE 6 - CONTINGENCIES

The City is not aware of any pending or threatened litigation which would adversely affect the City. The City has received several federal/state grants for specific purposes that were subject to review and audit of compliance conditions of the programs. The reports on internal accounting controls and compliance elements are contained as listed in the table of contents. This audit found no elements of non-compliance with the terms and conditions of the individual programs audited.

NOTE 7 - RETIREMENT 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.

Employee membership data related to the PERSI Base Plan, as of June 30, 2024 was as follows:

Retirees and beneficiaries currently receiving benefits	56,084
Terminated employees entitled to but not yet receiving benefits	55,054
Active plan members	78,354
Total	189,492

NOTE 7 - RETIREMENT PLAN (Continued)

Pension Benefits

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

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

Member and Employer Contributions

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

The contribution rates for employees are set by statute at 60% of the employer rate for general employees and 74% for police and firefighters. As of June 30, 2024 it was 7.16% for general employees and 9.13% for police and firefighters. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.94% general employees and 12.28% for police and firefighters. As of July 1, 2024 it was 6.71% for general employees and 9.83% for police and firefighters and 7.62% for school employees. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.18% general employees and 13.26% for police and firefighters and 12.69% for school employees The City's employer contributions required and paid were $188,418, $170,765, and, $141,735 for the three years ended September 30, 2024, 2023, and 2022, respectively.

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 July 1, 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 .03269979 percent.

NOTE 7 - RETIREMENT PLAN (Continued)

For the year ended September 30, 2024, the City recognized pension expense (revenue) of $345,715. 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	$ 194,742	$ -
Changes in assumptions or other inputs	48,456	
Net difference between projected and actual earnings on pension plan investments	(22,203)	
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions		
City contributions subsequent to the measurement date	51,901	
Total	$ 272,896	$ -

$51,901 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, 2022 is 4.6 and 4.6 for the measurement period June 30, 2024.

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

Year ended June 30,	
2025	$ 60,371
2026	$ 228,066
2027	$ (39,329)
2028	$ (28,112)
2029	$ -

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.

NOTE 7 - RETIREMENT PLAN (Continued)

The total pension liability in the July 1, 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%
Cost of Living (COLA) Adjustments	1%

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

An experience study was performed for the period July 1, 2015 through June 30, 2020 which reviewed all economic and demographic assumptions including mortality. The Total Pension Liability as of June 30, 2024 is based on the results of an actuarial valuation date 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 2023.

NOTE 7 - RETIREMENT PLAN (Continued)

Asset Allocation	Target Allocation	Long-Term Expected Real Rate of Return
Cash	0.00%	0.00%
Large Cap	18.00%	4.50%
Small/Midcap	11.00%	4.70%
International Equity	15.00%	4.50%
Emerging Markets Equity	10.00%	4.90%
Domestic Fixed	20.00%	-0.25%
TIPS	10.00%	-0.30%
Real Estate	8.00%	3.75%
Private Equity	8.00%	6.00%
	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 Discount Rate (6.35%)	1% Increase (7.35%)
Employer's proportionate share of the net pension liability (asset)	$ 2,324,429	$ 1,223,183	$ 323,746

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.

NOTE 7 - RETIREMENT PLAN (Continued)

Payables to the pension plan

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

NOTE 8 - INTERFUND TRANSACTIONS

Interfund transfers and due to/from for the City for the year ended September 30, 2017, are summarized below:

	Receiving Fund	Paying Fund	Amount
Interfund Transfers:			
To cover deficit cash balance	None		$ 0
Due To/From:			
To cover current expenditures	None		$ 0

NOTE 9 - CAPITAL ASSET ACTIVITY

A summary of property and equipment of proprietary funds is presented below:

	Water Fund	Sewer Fund	Total
Land	$ 67,934		$ 67,934
Construction-in-process		$ 108,161	108,161
Buildings	85,318	5,721	91,039
Equipment	320,636	632,247	952,883
Systems	13,281,407	5,368,006	18,649,413
	13,755,295	6,114,135	19,869,430
Less: Accumulated Depreciation	(4,636,325)	(2,781,133)	(7,417,458)
Net Capital Assets	$ 9,118,970	$ 3,333,002	$ 12,451,972

Depreciation expense was charged to governmental functions as follows:

General Expense	$ 41,878
Library	0
Police	72,849
Parks	17,310
Street	182,289
Total	$ 314,326

NOTE 9 - CAPITAL ASSET ACTIVITY (Continued)

Capital asset activity for the City's governmental functions for the year ended September 30, 2024, was as follows:

	Primary Government - Governmental Activities			
	Beginning Balance	Additions	Retirements	Ending Balance
Not being depreciated:				
Construction-in-process	$ 0			$ 0
Land	653,820			653,820
Subtotal	653,820	$ 0	$ 0	653,820
Other capital assets:				
Buildings and Improvements	1,677,415	69,801		1,747,216
Infrastructure	9,013,137	240,570		9,253,707
Equipment	686,891	76,554		763,445
Library	220,586	8,408		228,994
Automobiles	606,293	88,874	32,712	662,455
Subtotal	12,204,322	484,207	32,712	12,655,817
Less accumulated depreciation for:				
Buildings and Improvements	(485,860)	(42,808)		(528,668)
Infrastructure	(1,731,905)	(183,280)		(1,915,185)
Equipment	(559,792)	(42,402)		(602,194)
Library	(220,586)	(1,401)		(221,987)
Automobiles	(505,611)	(60,118)	(32,712)	(533,017)
Subtotal	(3,503,754)	(330,009)	(32,712)	(3,801,051)
Net Depreciated Assets	8,700,568	154,198	0	8,854,766
Net Capital Assets	$ 9,354,388	$ 154,198	$ 0	$ 9,508,586

As of September 30, 2024, there was a gross amount of $1,040,394 of assets (heavy equipment and automobiles) recorded from purchases under capital leases. There are no sub-leases or contingent rentals actually incurred or remaining from these assets. Total accumulated depreciation on the assets is $950,524.

NOTE 10 - REQUIRED FUND DISCLOSURE

No funds had a negative fund balance.

NOTE 11 - RESTRICTED ASSETS

The following lists restricted assets:

Fund / Purpose	Location	Type	Amount
Library	Local Govt. Inv. Pool	Investment	$ 15,499
General / House Bill 312 Revenue	Checking Account	Investment	15,605
General / Police Asset Forfeiture Account	Checking Account	Demand Deposit	3,577
Library	Checking Account	Demand Deposit	57,956
Development Impact Fee Payable	Checking Account	Demand Deposit	139,939

NOTE 12 - DEBT

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

	Beginning Outstanding	Issued	Retired	Ending Outstanding
1.00% Water Bond - D.E.Q. DW1011	$ 759,975		$ 41,174	$ 718,801
1.00% Water Bond - D.E.Q. DW1012	2,900,315		140,014	2,760,301
4.49% 2022 Ram 1500 SSV - D.L. Evans Bankk	27,359		4,986	22,373
3.10% 4-Didge Durango Lease - D.L. Evans Bank	29,515		29,515	0
5.65% 2023 Dodge Durango - D.L. Evans Bank	0	$ 41,874		41,874
	$ 3,717,164	$ 41,874	$ 215,689	$ 3,543,349

The annual requirements to amortize the City's debt as of September 30, 2024, is as follows:

4.49% 2022 Dodge Ram 1500 - D.L. Evans Bank	Principal	Interest	Total
2025	$ 5,227	$ 1,004	$ 6,231
2026	5,462	769	6,231
2027	5,707	524	6,231
2028	5,977	254	6,231
	$ 22,373	$ 2,551	$ 24,924

5.65% 2023 Godge Durango - D.L. Evans Bank	Principal	Interest	Total
2025	$ 7,481	$ 2,366	$ 9,847
2026	7,904	1,943	9,847
2027	8,350	1,497	9,847
2028	8,819	1,028	9,847
2029	9,320	527	9,847
	$ 41,874	$ 7,361	$ 49,235

NOTE 12 - DEBT (Continued)

Fiscal Year Ended September 30,	1.00% Water Bond - D.E.Q. DW1011	1.00% Water Bond - D.E.Q. DW1012	Interest	Total
2025	$ 40,432	$ 140,074	$ 36,039	$ 216,545
2026	40,837	141,478	34,230	216,545
2027	41,247	142,897	32,401	216,545
2028	41,642	144,265	30,638	216,545
2029	42,078	145,775	28,692	216,545
2030	42,499	147,236	26,810	216,545
2031	42,926	148,712	24,907	216,545
2032	43,342	150,156	23,047	216,545
2033	43,790	151,709	21,046	216,545
2034	44,230	153,230	19,085	216,545
2035	44,672	154,766	17,107	216,545
2036	45,111	156,286	15,148	216,545
2037	45,573	157,884	13,088	216,545
2038	46,030	159,467	11,048	216,545
2039	46,491	161,065	8,989	216,545
2040	46,953	162,667	6,925	216,545
2041	20,948	164,310	4,271	192,134
2042		165,958	2,567	168,525
2043		12,366	1,183	13,549
	$ 718,801	$ 2,760,301	$ 357,221	$ 3,838,928

NOTE 13 - LONG-TERM LIABILITIES (COMPENSATED ABSENCES)

At September 30, 2024, the City had $93,284 of compensated absences payable. The amount payable for the prior year was $66,592 with $37,153 being paid and $63,845 being accrued.

NOTE 14 - RESTRICTED ASSETS ENABLING LEGISLATION

Legislation passed by the City placing restrictions on assets is referred to as enabling legislation. These restrictions are legally enforceable which allows external parties to force the City to follow their own restrictions. None of the City's restricted assets meet this criteria.

REQUIRED SUPPLEMENTAL INFORMATION SECTION

CITY OF KIMBERLY
KIMBERLY, IDAHO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note 1)	Variance With Final Budget - Favorable (Unfavorable)
	Original	Final		
Budgetary Fund Balance - Beginning	$ 0	$ 0	$ 5,308,813	$ 5,308,813
Resources (Inflows)				0
Property Taxes	1,628,757	1,628,757	1,432,193	(196,564)
Other Tax Revenue			220,933	220,933
Franchise Revenue	49,000	49,000	72,460	23,460
Business Licenses and Permits	4,750	4,750	5,413	663
Non-business Licenses and Permits	2,700	2,700	4,989	2,289
State/Federal Grants/Projects				0
State Revenue	984,620	984,620	1,076,137	91,517
Planning & Zoning Revenue	60,000	60,000	163,133	103,133
Sanitation Revenue	220,000	220,000	246,033	26,033
Police Department Revenue/Grants	182,410	182,410	174,713	(7,697)
Other General Revenue and Donations	19,671	19,671	47,608	27,937
Proceeds from Debt Financing			41,874	41,874
Sale of Capital Assets			10,000	10,000
Investment Revenue	30,000	30,000	643,525	613,525
Total Revenue	3,181,908	3,181,908	4,139,011	957,103
Amount Available for Appropriations	3,181,908	3,181,908	9,447,824	6,265,916
Charges to Appropriations (Outflows)				
Administration and General Government	530,476	530,476	531,715	(1,239)
Planning and Zoning	434,919	434,919	316,031	118,888
Police Department	1,165,198	1,165,198	1,066,941	98,257
Community Service	135,660	135,660	120,628	15,032
Street Department	507,755	507,755	302,227	205,528
Sanitation Department	240,600	240,600	269,356	(28,756)
Park Department	167,300	167,300	163,868	3,432
Total Charges to Appropriations	3,181,908	3,181,908	2,770,766	411,142
Ending Budgetary Fund Balance	$ 0	$ 0	$ 6,677,058	$ 6,677,058

CITY OF KIMBERLY
KIMBERLY, IDAHO
BUDGETARY COMPARISON SCHEDULE
LIBRARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note 1)	Variance With Final Budget - Favorable (Unfavorable)
	Original	Final		
Budgetary Fund Balance - Beginning	$ 0	$ 0	$ 46,508	$ 46,508
Resources (Inflows)				0
Property Taxes	139,950	139,950	139,950	0
Other Revenue	870	870	5,488	4,618
Investment Revenue	300	300	801	501
Total Revenue	141,120	141,120	146,239	5,119
Amount Available for Appropriations	141,120	141,120	192,747	51,627
Charges to Appropriations (Outflows)				
Salaries & Benefits	118,420	118,420	109,447	8,973
Supplies	750	750	1,208	(458)
Books	9,000	9,000	8,408	592
Postage	1,000	1,000	692	308
Travel	700	700	375	325
Utilities	5,600	5,600	4,233	1,367
Repairs	5,350	5,350	5,998	(648)
Other Services	300	300	745	(445)
Total Charges to Appropriations	141,120	141,120	131,106	10,014
Ending Budgetary Fund Balance	$ 0	$ 0	$ 61,641	$ 61,641

CITY OF KIMBERLY
KIMBERLY, IDAHO
SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY
PERSI - BASE PLAN
LAST 10 FISCAL YEARS *

Year Ended June 30,	Employer's portion of net pension liability	Employer's proportionate share of the net pension liability	Employer's covered-employee payroll	Employer's proportional 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	0.0326998%	$ 1,223,183	$ 1,548,992	78.97%	85.54%
2023	0.0323173%	$ 1,289,677	$ 1,438,375	89.66%	83.83%
2022	0.0291549%	$ 1,148,341	$ 1,173,627	97.85%	83.09%
2021	0.0292764%	$ (23,122)	$ 1,073,537	-2.15%	100.36%
2020	0.0294283%	$ 683,364	$ 1,057,810	64.60%	88.22%
2019	0.0291257%	$ 332,462	$ 981,343	33.88%	93.79%
2018	0.0306387%	$ 451,926	$ 940,766	48.04%	91.69%
2017	0.0306751%	$ 482,160	$ 926,855	52.02%	90.68%
2016	0.0305779%	$ 619,861	$ 945,603	65.55%	87.26%
2015	0.0306682%	$ 403,850	$ 872,841	46.27%	91.38%

Data reported is measured as of June 30, 2024

CITY OF KIMBERLY
KIMBERLY, IDAHO
SCHEDULE OF EMPLOYER CONTRIBUTIONS
PERSI - BASE PLAN
LAST 10 FISCAL YEARS *

Year Ended June 30,	Statutorily required	Contributions in relation to the statutorily required contribution	Contribution (deficiency) excess	Employer's covered-employee payroll	Contributions as a percentage of covered-employee payroll
2024	$ 188,418	$ 188,418	$ -	$ 1,548,992	12.16%
2023	$ 170,665	$ 170,665	$ -	$ 1,438,375	11.87%
2022	$ 141,117	$ 141,117	$ -	$ 1,173,627	12.02%
2021	$ 129,632	$ 129,632	$ -	$ 1,073,537	12.08%
2020	$ 127,746	$ 127,746	$ -	$ 1,057,810	12.08%
2019	$ 114,446	$ 114,446	$ -	$ 981,343	11.66%
2018	$ 107,800	$ 107,800	$ -	$ 940,766	11.46%
2017	$ 106,105	$ 106,105	$ -	$ 926,855	11.45%
2016	$ 108,302	$ 108,302	$ -	$ 945,603	11.45%
2015	$ 99,533	$ 99,533	$ -	$ 872,841	11.40%

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 those years for which information is available.

CITY OF KIMBERLY
KIMBERLY, IDAHO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2024

NOTE 1 - RECONCILIATION OF BUDGET TO GAAP

An explanation of the differences between budgetary inflows and outflows and revenues and expenditures determined in accordance with accounting principles generally accepted in the United States of America follows:

	General Fund	Library Fund
Sources/Inflows of Resources		
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	$ 9,447,824	$ 192,747
Differences - Budget to GAAP		
For the fund revenue, proceeds from sale of capital assets are not included as revenue, but as "other financing sources".	(10,000)	0
For the fund revenue, proceeds from debt financing are not included as revenue, but, as "other financing sources".	(41,874)	0
For the fund revenue, investment earnings are not included as revenue, but, as "other financing sources".	(643,525)	(801)
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	(5,308,813)	(46,508)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	$ 3,443,612	$ 145,438
Uses/Outflows of Resources		
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	$ 2,770,766	$ 131,106
Interfund transfers are not included in fund expenditures but are shown as "other financing uses."	0	0
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	$ 2,770,766	$ 131,106

CITY OF KIMBERLY
KIMBERLY, IDAHO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2024

NOTE 2 - BUDGET PROCESS

The city council adopts a budget on a basis consistent with the GAAP. The City is required to present the adopted and final amended budget of the general fund and all other funds shown as major funds in the fund financial statements. These items are presented in the required supplementary information section following the notes to the financial statements.

The following procedures are followed in establishing the budget for the City:

1) At least 28 days prior to its annual meeting, the city council shall have prepared a budget in a form prescribed by the state statute, and shall have notified the public of the budget hearing.

2) At the public hearing or a special meeting held no later than 14 days after the public hearing, the city council shall adopt a budget for the ensuing year.

3) The city council shall publish a summary statement of the budget in the local newspaper.

4) The City may amend the budget any time during the year but the above procedures must be followed each time a budget amendment is made.

5) The legal budget is adopted at the item level.

NOTE 3 - REQUIRED FUND DISCLOSURE

Only funds reported as major funds with a legally adopted budget are required to be reported in the budget comparison statement. The only funds that meets the criteria are the general fund and the library fund.

The following funds had excess actual expenditures over budget expenditures:

Fund	Actual	Budget	Overage
None	$ 0	$ 0	$ 0

NOTE 4 - PENSION DISCLOSURES

The following information is required to be disclosed as it relates to the pension:

- Changes of benefit terms: None
- Changes in composition of the population covered by the benefit terms: None
- Changes of assumptions: None

SUPPLEMENTAL
INFORMATION SECTION

CITY OF KIMBERLY
KIMBERLY, IDAHO
COMBINING SCHEDULE OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2024

	Water Fund	Sewer Fund	Total
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	$ 2,698,840	$ 4,148,979	$ 6,847,819
Investments	1,629,064	2,238,236	3,867,300
Net Receivables	51,033	106,338	157,371
TOTAL CURRENT ASSETS	4,378,937	6,493,553	10,872,490
NONCURRENT ASSETS			
Capital Assets (non-depreciated)	67,934	108,162	176,096
Capital Assets (net)	9,051,036	3,224,840	12,275,876
TOTAL NONCURRENT ASSETS	9,118,970	3,333,002	12,451,972
TOTAL ASSETS	13,497,907	9,826,555	23,324,462
DEFERRED OUTFLOWS OF RESOURCES			
Pension Obligations	41,305	46,115	87,420
TOTAL DEFERRED OUTFLOWS OF RESOURCES	41,305	46,115	87,420
LIABILITIES			
CURRENT LIABILITIES			
Accounts Payable	7,516	28,459	35,975
Accrued Interest Payable	1,011		1,011
Deposits Payable	170,232		170,232
Current Portion of Long-term Debt	180,506		180,506
TOTAL CURRENT LIABILITIES	359,265	28,459	387,724
NONCURRENT LIABILITIES			
Pension Liability	185,139	206,698	391,837
Bond Payable (net of current portion)	3,298,596		3,298,596
TOTAL NONCURRENT LIABILITIES	3,483,735	206,698	3,690,433
TOTAL LIABILITIES	3,843,000	235,157	4,078,157

Continued

CITY OF KIMBERLY
KIMBERLY, IDAHO
COMBINING SCHEDULE OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2024

	Water Fund	Sewer Fund	Total
DEFERRED INFLOWS OF RESOURCES			
Pension Sources	$ 0	$ 0	$ 0
TOTAL DEFERRED INFLOWS OF RESOURCES	0	0	0
NET POSITION			
Invested in Capital Assets, net of related debt	5,638,857	3,333,002	8,971,859
Unrestricted	4,057,355	6,304,511	10,361,866
TOTAL NET POSTION	$ 9,696,212	$ 9,637,513	$ 19,333,725

CITY OF KIMBERLY
KIMBERLY, IDAHO
COMBINING SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Water Fund	Sewer Fund	Total
OPERATING REVENUES			
Service Fees	$ 962,788	$ 1,088,929	$ 2,051,717
Service Hookups	192,900	120,000	312,900
Capacity		27,242	27,242
Late Fees and Fines	37,138		37,138
Canal Water Shares Leased	20,000		20,000
Pressurized Irrigation System	46,879		46,879
Other Revenue	9,193	13,572	22,765
TOTAL OPERATING REVENUES	1,268,898	1,249,743	2,518,641
OPERATING EXPENSES			
Salaries and Benefits	365,060	405,665	770,725
Supplies	15,273	5,937	21,210
Travel and Training	1,740	895	2,635
Professional Fees	19,290	20,193	39,483
Interceptor		159,437	159,437
Administrative Supplies/Expenses	41,213	15,543	56,756
Insurance	24,699	24,699	49,398
Utilities	117,416	7,557	124,973
Fuel	8,794	3,322	12,116
Repairs and Maintenance	76,021	17,463	93,484
Water/Sewer Testing and Assessments	16,262		16,262
Depreciation Expense	293,643	121,539	415,182
TOTAL OPERATING EXPENSES	979,411	782,250	1,761,661
OPERATING INCOME (LOSS)	289,487	467,493	756,980
NONOPERATING REVENUES (EXPENSES)			
Investment Earnings	53,534	94,545	148,079
Contributed Capital Asets	66,290	58,924	125,214
Interest Expense	(35,357)		(35,357)
TOTAL NONOPERATING REVENUE (EXPENSES)	84,467	153,469	237,936
CHANGE IN NET POSITION	373,954	620,962	994,916
TOTAL NET POSITION - BEGINNING	9,322,258	9,016,551	18,338,809
TOTAL NET POSITION - ENDING	$ 9,696,212	$ 9,637,513	$ 19,333,725

CITY OF KIMBERLY
KIMBERLY, IDAHO
COMBINING SCHEDULE OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Water Fund	Sewer Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts Form Customers	$ 1,270,773	$ 1,250,068	$ 2,520,841
Payments to Suppliers	(279,911)	(196,615)	(476,526)
Payments to Employees	(365,060)	(405,665)	(770,725)
NET CASH PROVIDED BY OPERATING ACTIVITIES	625,802	647,788	1,273,590
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Principal Paid on Capital Debt	(181,188)		(181,188)
Interest Paid on Capital Debt	(35,357)		(35,357)
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(216,545)	0	(216,545)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of Capital Assets	(62,812)	(108,162)	(170,974)
Interest	53,534	94,545	148,079
CASH FLOWS FROM INVESTING ACTIVITIES	(9,278)	(13,617)	(22,895)
NET (DECREASE) IN CASH AND CASH EQUIVALENTS	399,979	634,171	1,034,150
BALANCES - BEGINNING OF THE YEAR	3,927,925	5,753,044	9,680,969
BALANCES - END OF THE YEAR	$ 4,327,904	$ 6,387,215	$ 10,715,119
BALANCE DISPLAYED AS:			
Cash	$ 2,698,840	$ 4,148,979	$ 6,847,819
Investments	1,629,064	2,238,236	3,867,300
	$ 4,327,904	$ 6,387,215	$ 10,715,119

(Continued)

CITY OF KIMBERLY
KIMBERLY, IDAHO
COMBINING SCHEDULE OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Water Fund	Sewer Fund	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income (Loss)	$ 289,487	$ 467,493	$ 756,980
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:			
Depreciation	293,643	121,539	415,182
(Increase) Decrease in Accounts Receivable	1,875	325	2,200
Increase (Decrease) in Accounts Payable	(5,126)	22,642	17,516
Increase (Decrease) in Accrued Interest Payable	0	0	0
Increase (Decrease) in Deferred Pension In/Outflow	29,756	35,789	65,545
Increase (Decrease) in Deposits Payable	16,167		16,167
Net Cash Provided (Used) by Operating Activities	$ 625,802	$ 647,788	$ 1,273,590
NON-CASH TRANSACTIONS			
Contributed Capital Assets	$ 66,290	$ 58,924	$ 125,214

R. MICHAEL BURR
Certified Public Accountant
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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*

Mayor and City Council
City of Kimberly, Idaho
Kimberly, Idaho 83341

January 20, 2025

I 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 Kimberly, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise City of Kimberly's basic financial statements and have issued my report thereon dated January 20, 2025.

Internal Control Over Financial Reporting

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

My 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 my audit I did not identify any deficiencies in internal control that I 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 Kimberly's financial statements are free of material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

City of Kimberly's Response to Findings

City of Kimberly's response to the findings identified in my audit is described in the accompanying schedule of findings and responses. City of Kimberly's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on it.

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.

Sincerely,

R. Michael Burr

R. Michael Burr
Certified Public Accountant

CITY OF KIMBERLY
KIMBERLY, IDAHO
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED SEPTEMBER 30, 2024

MATERIAL WEAKNESSES

None

SIGNIFICANT DEFICIENCIES

None

Summary Schedule of Prior Audit Findings

No prior year findings.