CITY OF KOOSKIA

FINANCIAL STATEMENTS

Year Ended September 30, 2024

CITY OF KOOSKIA

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PRESNELL GAGE, PLLC
ACCOUNTING AND CONSULTING

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the City Council
City of Kooskia
Kooskia, Idaho

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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.

Lewiston Office: 1216 Idaho Street, Lewiston, Idaho 83501, (208) 746-8281
Moscow Office: 609 South Washington, Suite 202, Moscow, Idaho 83843, (208) 882-2211
Grangeville Office: 109 South Mill Street, Grangeville, Idaho 83530, (208) 983-1254
Orofino Office: P.O. Box 632, 216 Johnson Avenue, Orofino, Idaho 83544, (208) 476-3012
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Eagle Office: 1159 E Iron Eagle Drive, Suite 100, Eagle, Idaho 83616, (208) 319-2929

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the schedule of pension funding and the budgetary comparison schedules on pages 39 through 42, respectively, 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 the financial reporting for placing the basic financial statements in the appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The City of Kooskia has not presented 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 the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by the missing information.

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated June 20, 2025, on our consideration of the City of Kooskia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Kooskia's internal control over financial reporting and compliance.

Presnell Gage, PLLC

June 20, 2025
Lewiston, Idaho

CITY OF KOOSKIA

STATEMENT OF NET POSITION
September 30, 2024

	Governmental Activities	Business-Type Activities	Total
ASSETS			
CURRENT ASSETS			
Cash and investments	$ 705,180	$ 1,073,779	$ 1,778,959
Receivables			
Delinquent taxes	13,513		13,513
Accounts		138,017	138,017
Intergovernmental	28,593	210,146	238,739
Leases	6,207		6,207
Total current assets	753,493	1,421,942	2,175,435
RESTRICTED ASSETS			
Cash and investments	0	55,290	55,290
NONCURRENT ASSETS			
Capital assets, net of accumulated depreciation	562,606	4,772,785	5,335,391
Lease receivable	59,768		59,768
Total noncurrent assets	622,374	4,772,785	5,395,159
Total assets	1,375,867	6,250,017	7,625,884
DEFERRED OUTFLOWS OF RESOURCES			
Defined benefit pension	13,041	13,989	27,030
Total deferred outflows of resources	13,041	13,989	27,030
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	2,832	222,523	225,355
Accrued interest on bonds		8,236	8,236
Current portion of bonds payable		32,810	32,810
Total current liabilities	2,832	263,569	266,401
LONG-TERM OBLIGATIONS			
Net pension liability	55,885	59,947	115,832
Bonds payable		441,988	441,988
Total long-term obligations	55,885	501,935	557,820
Total liabilities	58,717	765,504	824,221
DEFERRED INFLOWS OF RESOURCES			
Defined benefit pension	5,436	5,832	11,268
Leases	65,975		65,975
Deferred revenue		343,517	343,517
Total deferred inflows of resources	71,411	349,349	420,760
NET POSITION			
Investment in capital assets, net of related debt	562,606	4,297,987	4,860,593
Restricted for debt service		55,290	55,290
Unrestricted	696,174	795,876	1,492,050
Total net position	$ 1,258,780	$ 5,149,153	$ 6,407,933

See accompanying notes

CITY OF KOOSKIA

STATEMENT OF ACTIVITIES
Year Ended September 30, 2024

FUNCTIONS/PROGRAMS	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-Type Activities	Net (Expense) Revenue and Changes in Net Position: Total
Governmental Activities							
General government	$ 118,027	$ 2,700			$ (115,327)		$ (115,327)
Police protection	27,200				(27,200)		(27,200)
Fire protection	10,123				(10,123)		(10,123)
Airport	894	8,113			7,219		7,219
Parks and recreation	12,627				(12,627)		(12,627)
Capital projects	609			$ 350	(259)		(259)
Transportation	96,720		$ 52,170		(44,550)		(44,550)
Unallocated depreciation	67,517				(67,517)		(67,517)
PERSI retirement actuarial change	5,663				(5,663)		(5,663)
Total governmental activities	$ 339,380	$ 10,813	$ 52,170	$ 350	(276,047)	$ 0	(276,047)
Business-Type Activities							
Water	$ 166,732	$ 142,667		$ 108,945		84,880	84,880
Sewer	103,810	74,001		1,522,783		1,492,974	1,492,974
Waste water treatment	144,944	114,404				(30,540)	(30,540)
Sanitation	98,393	110,931				12,538	12,538
Ambulance	226,987	232,660		778		6,451	6,451
Total business-type activities	$ 740,866	$ 674,663	$ 0	$ 1,632,506	0	1,566,303	1,566,303
General revenues:							
Property taxes, levied for general purposes					119,808		119,808
State sales tax not restricted to specific programs					60,446		60,446
State liquor taxes					28,028		28,028
Other state and federal funding not restricted to specific programs					3,168		3,168
Interest and investment earnings					30,114	48,002	78,116
Other general revenues					17,566	2,865	20,431
Transfers					12,111	(12,111)	0
					271,241	38,756	309,997
Change in net position					(4,806)	1,605,059	1,600,253
Net position, beginning					1,263,586	3,544,094	4,807,680
Net position, ending					$ 1,258,780	$ 5,149,153	$ 6,407,933

See accompanying notes

CITY OF KOOSKIA

BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2024

	General	Streets	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments	$ 534,771	$ 126,352	$ 44,057	$ 705,180
Receivables				
Taxes	4,701	7,461	1,351	13,513
Intergovernmental	21,911	6,682		28,593
Leases	65,975			65,975
Total assets	$ 627,358	$ 140,495	$ 45,408	$ 813,261
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 1,533	$ 1,227	$ 72	$ 2,832
Total liabilities	1,533	1,227	72	2,832
DEFERRED INFLOWS OF RESOURCES				
Leases	65,975			65,975
Unavailable revenue - property taxes	4,701	7,461	1,351	13,513
Total deferred inflows of resources	70,676	7,461	1,351	79,488
FUND BALANCES				
Assigned		131,807	43,985	175,792
Unassigned	555,149			555,149
Total fund balances	555,149	131,807	43,985	730,941
Total liabilities, deferred inflows of resources, and fund balances	$ 627,358	$ 140,495	$ 45,408	$ 813,261

See accompanying notes

CITY OF KOOSKIA

RECONCILIATION OF THE STATEMENT OF NET POSITION
TO THE BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2024

Total fund balances - Governmental Funds		$ 730,941
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds:		
Cost of capital assets	$ 3,284,166	
Accumulated depreciation	(2,721,560)	
		562,606
Deferred outflows and deferred inflows for pension liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Deferred outflows		13,041
Deferred inflows		(5,436)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:		
Net pension liability		(55,885)
Property taxes receivable to be collected this year, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds.		13,513
Total net position - Governmental Activities		$ 1,258,780

See accompanying notes

CITY OF KOOSKIA

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

	General	Streets	Other Governmental Funds	Total Governmental Funds
REVENUES				
Property taxes	$ 48,409	$ 57,793	$ 11,575	$ 117,777
Licenses and permits	1,374			1,374
Intergovernmental	89,356	54,118	688	144,162
Charges for services	10,813			10,813
Earnings on investments	30,114			30,114
Miscellaneous	3,295	7,897	5,000	16,192
Total revenues	183,361	119,808	17,263	320,432
EXPENDITURES				
Current				
General government	118,027			118,027
Police protection	27,200			27,200
Fire protection	10,123			10,123
Airport	894			894
Parks and recreation			12,627	12,627
Transportation		96,568		96,568
Capital outlay			609	609
Debt service				
Principle payments		4,351		4,351
Interest		152		152
Total expenditures	156,244	101,071	13,236	270,551
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	27,117	18,737	4,027	49,881
OTHER FINANCING SOURCES (USES)				
Transfers in	12,111			12,111
Total other financing sources (uses)	12,111	0	0	12,111
NET CHANGES IN FUND BALANCES	39,228	18,737	4,027	61,992
FUND BALANCES AT BEGINNING OF YEAR	515,921	113,070	39,958	668,949
FUND BALANCES AT END OF YEAR	$ 555,149	$ 131,807	$ 43,985	$ 730,941

See accompanying notes

CITY OF KOOSKIA

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

Net changes in fund balances - Total Governmental Funds	$	61,992
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation:		
Current year depreciation		(67,517)
Amounts borrowed on long-term debt are reported in the governmental funds as other financing sources. Amounts repaid on long-term debt are reported in the governmental funds as expenditures. However, for governmental activities, the borrowing and repayment of funds is reflected as outstanding long-term debt:		
Current year repayment of long-term debt		4,351
Net pension liability and the related deferred outflows and deferred inflows are not considered available for the governmental funds in the current year.		
Current year net pension liability, deferred outflows and deferred inflows		(5,663)
Some amounts receivable will not be collected for several months after the fiscal year-end and they are not considered available revenues in the governmental funds. Instead, they are counted as deferred tax revenues. They are, however, recorded as revenues in the statement of activities:		
Current year taxes receivable		13,513
Prior year taxes receivable		(11,482)
Change in net position - Governmental Activities	$	(4,806)

See accompanying notes

CITY OF KOOSKIA

STATEMENT OF NET POSITION - PROPRIETARY FUNDS
September 30, 2024

	Business-Type Activities - Enterprise Funds					
	Water	Sewer	Waste Water Treatment	Sanitation	Ambulance	Totals
ASSETS						
CURRENT ASSETS						
Cash and investments	$ 439,886	$ 118,023	$ 130,340		$ 385,530	$ 1,073,779
Receivables						
Accounts	11,098	6,746	8,123	$ 10,509	101,541	138,017
Intergovernmental		210,146				210,146
Total current assets	450,984	334,915	138,463	10,509	487,071	1,421,942
RESTRICTED ASSETS						
Cash and investments	45,840	0	9,450	0	0	55,290
NONCURRENT ASSETS						
Capital assets, net	595,908	3,489,539	507,896		179,442	4,772,785
Total noncurrent assets	595,908	3,489,539	507,896	0	179,442	4,772,785
DEFERRED OUTFLOWS OF RESOURCES						
Defined benefit pension	4,666	4,663	4,660			13,989
Total deferred outflows of resources	4,666	4,663	4,660	0	0	13,989
Total assets	$ 1,097,398	$ 3,829,117	$ 660,469	$ 10,509	$ 666,513	$ 6,264,006

CITY OF KOOSKIA

STATEMENT OF NET POSITION - PROPRIETARY FUNDS
September 30, 2024

	Business-Type Activities - Enterprise Funds					
	Water	Sewer	Waste Water Treatment	Sanitation	Ambulance	Totals
LIABILITIES						
CURRENT LIABILITIES						
Accounts payable	$ 4,821	$ 210,214	$ 535		$ 6,953	$ 222,523
Accrued interest on bonds	7,016		1,220			8,236
Current portion of bonds payable	28,109		4,701			32,810
Total current liabilities	39,946	210,214	6,456	$ 0	6,953	263,569
LONG-TERM OBLIGATIONS						
Net pension liability	19,995	19,981	19,971			59,947
Bonds payable	368,464		73,524			441,988
Total long-term obligations	388,459	19,981	93,495	0	0	501,935
Total liabilities	428,405	230,195	99,951	0	6,953	765,504
DEFERRED INFLOWS OF RESOURCES						
Unearned revenue	60,000	60,000	15,184		208,333	343,517
Defined benefit pension	1,945	1,944	1,943			5,832
Total deferred inflows of resources	61,945	61,944	17,127		208,333	349,349
NET POSITION						
Investment in capital assets, net of related debt	199,335	3,489,539	429,671		179,442	4,297,987
Restricted for debt service	45,840		9,450			55,290
Unrestricted	361,873	47,439	104,270	10,509	271,785	795,876
Total net position	607,048	3,536,978	543,391	10,509	451,227	5,149,153
Total liabilities and net position	$ 1,097,398	$ 3,829,117	$ 660,469	$ 10,509	$ 666,513	$ 6,264,006

See accompanying notes

CITY OF KOOSKIA

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

	Business-Type Activities - Enterprise Funds					
	Water	Sewer	Waste Water Treatment	Sanitation	Ambulance	Totals
OPERATING REVENUES						
Charges for sales and services	$ 142,667	$ 74,001	$ 114,404	$ 110,931	$ 232,660	$ 674,663
Total operating revenues	142,667	74,001	114,404	110,931	232,660	674,663
OPERATING EXPENSES						
Production and treatment	93,403	76,303	87,201			256,907
Depreciation	51,345	24,378	50,679		59,399	185,801
Ambulance services					167,588	167,588
Garbage services				98,393		98,393
Total operating expenses	144,748	100,681	137,880	98,393	226,987	708,689
OPERATING INCOME (LOSS)	(2,081)	(26,680)	(23,476)	12,538	5,673	(34,026)
NONOPERATING REVENUES (EXPENSES)						
Interest revenue	21,512	16,597	1,729		8,164	48,002
Other	1,072				1,793	2,865
PERSI retirement actuarial change	(3,749)	(2,977)	(3,569)			(10,295)
Interest expense	(18,235)	(152)	(3,495)			(21,882)
Total nonoperating revenues (expenses)	600	13,468	(5,335)	0	9,957	18,690
NET INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(1,481)	(13,212)	(28,811)	12,538	15,630	(15,336)
CONTRIBUTIONS AND TRANSFERS						
Transfers to other funds				(12,111)		(12,111)
Capital contributions	108,945	1,522,783			778	1,632,506
Total contributions and transfers	108,945	1,522,783	0	(12,111)	778	1,620,395
CHANGE IN NET POSITION	107,464	1,509,571	(28,811)	427	16,408	1,605,059
NET POSITION AT BEGINNING OF YEAR	499,584	2,027,407	572,202	10,082	434,819	3,544,094
NET POSITION AT END OF YEAR	$ 607,048	$ 3,536,978	$ 543,391	$ 10,509	$ 451,227	$ 5,149,153

See accompanying notes

CITY OF KOOSKIA

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

	Business-Type Activities - Enterprise Funds					
	Water	Sewer	Waste Water Treatment	Sanitation	Ambulance	Totals
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash received from customers	$ 146,188	$ 74,001	$ 124,964	$ 110,504	$ 185,223	$ 640,880
Cash paid for payroll	(48,563)	(48,552)	(48,507)			(145,622)
Cash paid for operating expenses	(45,161)	(28,631)	(39,955)	(98,393)	(165,168)	(377,308)
Net cash provided (used) by operating activities	52,464	(3,182)	36,502	12,111	20,055	117,950
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Interfund transfers of ARPA funds	71,412	(35,706)				35,706
Interfund transfers				(12,111)		(12,111)
Net cash provided (used) by noncapital financing activities	71,412	(35,706)	0	(12,111)	0	23,595
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES						
Purchase and construction of capital assets	(20,224)	(2,155,877)			(10,000)	(2,186,101)
Bond principal payments	(26,764)		(4,515)			(31,279)
Lease payments	(4,351)	(4,351)	(4,351)			(13,053)
Capital grant proceeds		2,144,011			209,111	2,353,122
Other receipts	1,072				1,793	2,865
Interest paid	(18,944)	(152)	(3,565)			(22,661)
Net cash provided (used) by capital financing activities	(69,211)	(16,369)	(12,431)	0	200,904	102,893
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest received	21,512	16,597	1,729		8,164	48,002
Net cash provided by investing activities	21,512	16,597	1,729	0	8,164	48,002
Net change in cash	76,177	(38,660)	25,800	0	229,123	292,440
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	409,549	156,683	113,990	0	156,407	836,629
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 485,726	$ 118,023	$ 139,790	$ 0	$ 385,530	$ 1,129,069
CASH COMPONENTS						
Current assets, cash and investments	$ 439,886	$ 118,023	$ 130,340		$ 385,530	$ 1,073,779
Cash and investments, restricted	45,840		9,450			55,290
	$ 485,726	$ 118,023	$ 139,790	$ 0	$ 385,530	$ 1,129,069

See accompanying notes

CITY OF KOOSKIA

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

	Business-Type Activities - Enterprise Funds					
	Water	Sewer	Waste Water Treatment	Sanitation	Ambulance	Totals
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Operating income (loss)	$ (2,081)	$ (26,680)	$ (23,476)	$ 12,538	$ 5,673	$ (34,026)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	51,345	24,378	50,679		59,399	185,801
Changes in:						
Prepaid assets					1,917	1,917
Accounts receivable	3,521			(427)	(47,437)	(44,343)
Accounts payable, excluding non operating payables	(321)	(880)	(1,261)		503	(1,959)
Unearned revenue, excluding capital grants			10,560			10,560
Net cash provided (used) by operating activities	$ 52,464	$ (3,182)	$ 36,502	$ 12,111	$ 20,055	$ 117,950

See accompanying notes

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Kooskia is an incorporated city of the State of Idaho. The City operates under an elected Mayor-Council form of government and provides the following services as authorized by its charter: public safety (police and fire protection), transportation, culture-recreation, airport, and general administrative services. Other services include utility operations (water, sewer, sanitation, and ambulance).

The City's financial statements are prepared in accordance with United States 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.

A. Reporting Entity

The City, for financial purposes, includes all the funds relevant to the operations of the City of Kooskia, Idaho. The City is also required to include in its financial statements those separately administered organizations (component units) with which the City has significant operational or financial relationships. The criteria for including organizations as component units within the City's reporting entity include whether the organization is legally separate and whether the City holds the corporate powers, whether the City appoints a majority of the organization's board and is able to impose its will, and the ability of the organization to impose a financial benefit or burden on the City. Based on the foregoing criteria, the City of Kooskia has no component units.

B. Measurement Focus Basis of Accounting and Basis of Presentation

Government-Wide and Proprietary Fund Financial Statements: The government-wide and proprietary financial statements are reported using the economic resources measurement focus and accrual basis of accounting. 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 non-exchange transactions, and revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Interfund services provided and used are not eliminated in the process of consolidation.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Measurement Focus Basis of Accounting and Basis of Presentation (Continued)

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 City's enterprise funds are charges to customers for sales and services. Operating expense for enterprise funds include the cost of services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Proprietary funds are presented in the financial statements on the accrual basis of accounting, similar to the basis used by government-wide statements and are accounted for on a flow of economic resources measurement focus. Under this basis, revenues are recognized in the accounting period when earned and expenses are recognized in the period they are incurred.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and modified accrual basis of accounting. Under this measurement, revenues are recognized in the accounting period when they become susceptible to accrual (i.e., when they are "measurable" and "available"). "Measurable" means that the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay the liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, if measurable, except for unmatured principal and interest on general long-term debt, which is recognized when due, and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources. General capital asset acquisitions are reported as expenditures in the governmental funds. Proceeds of long-term debt and leases are reported as other financing resources.

The City considers all revenues available if they are collected within sixty (60) days after year-end. The City reports unearned revenue in its fund financial statements. Unearned revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues also arise when the City receives resources before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and revenue is recognized.

Intergovernmental revenues and sales and services are not susceptible to accrual because they generally are not measurable until received in cash.

Restricted Resources

Program expenses are allocated to restricted program revenue first and then to the next highest level of restricted net position/fund balances when both restricted and unrestricted resources are available.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Measurement Focus Basis of Accounting and Basis of Presentation (Continued)

Restricted Resources (Continued)

Governmental Accounting Standards Board Statement No. 54 (GASB 54), *Fund Balance Reporting and Governmental Fund Type Definitions* defines the different types of fund balances that a governmental entity must use for financial reporting purposes.

GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories listed below:

Nonspendable. Includes amounts that cannot be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact.

Restricted. Includes amounts that can be spent only for the specific purpose stipulated by external resource providers, constitutional provisions, or enabling legislation.

Committed. Includes amounts that can only be used for the specific purposes determined by a formal action of the government's highest level of decision-making authority.

Assigned. Includes amounts that are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed.

Unassigned. Residual classification of fund balance that includes all spendable amounts that have not been restricted, committed, or assigned.

Government-Wide Statements

The government-wide financial statements include the statements of net position and the statement of activities. These statements report financial information for the City as a whole excluding fiduciary activities such as employee pension plans. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes, intergovernmental revenues, and other non-exchange transactions from business-type activities generally financed in whole or in part with fees charged to external customers. Eliminations have been made to minimize the double-counting of internal activities.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the function program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. These revenues are subject to externally imposed restrictions to these program uses. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Measurement Focus Basis of Accounting and Basis of Presentation (Continued)

Government-Wide Statements (Continued)

The Government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual* basis of accounting, including the reclassification or elimination of internal activity (between or within funds).

Fund Financial Statements

The fund financial statements provide information about the City's fund categories. Separate statements for each fund category - governmental funds and proprietary funds are presented. The City does not have any fiduciary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies, result from non-exchange transactions. Other non-operating revenues are ancillary activities such as investment earnings.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating 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 water, sewer, and sanitation funds are charges to customers for sales and services. The enterprise funds also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses of the 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 nonoperating revenues and expenses.

Governmental Funds. All governmental funds are accounted for using the current financial resources measurement focus and modified accrual basis of accounting.

The City reports the following major governmental funds:

- General Fund. This is the City's primary operating fund. It accounts for all financial resources of the City, except those required to be accounted for in another fund.

- Street Fund. The "Street Fund" is responsible for the construction and maintenance of streets and traffic services within the City.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Measurement Focus Basis of Accounting and Basis of Presentation (Continued)

Fund Financial Statements (Continued)

Proprietary Funds. All proprietary funds are accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. Proprietary funds include enterprise funds and internal service funds.

Enterprise Funds. Enterprise funds are used to account for activities that are similar to those often found in the private sector.

The City reports the following major enterprise funds:

- Water Fund – this activity provides and distributes water primarily to City residents.
- Sewer Fund – this activity provides for sewer collection and treatment services.
- Waste Water Treatment Fund – this activity provides for the treatment of waste water.
- Ambulance Fund – this activity provides for ambulance services.
- Sanitation Fund – this activity provides sanitation services to all City residents.

Internal Service Funds. The City does not maintain any internal service funds.

C. Assets, Liabilities, and Equity

Cash, Cash Equivalents, and Investments. The City considers cash to represent demand deposits and cash on hand. The City's investments consist of deposits in the Idaho State Treasurer's Local Government Investment Pool (LGIP) and are stated at fair value. Deposits in the LGIP represent an interest in the pool rather than ownership of specific securities. The State Treasurer is the custodian of the LGIP and no other regulatory oversight for the pool is established. The State Treasurer combines deposits from all governmental entities in the state, which participate in the pool, and purchases the following types of investments:

Local Certificates of Deposit
Repurchase Agreements
Corporate Bond/s Notes
U.S. Government Securities
Money Market Funds

The participating entities' interest in the pool is calculated by dividing the individual entity's deposits by the total deposits held in the pool. The purpose of this is to increase the overall rate of return and reduce the risk of default.

The City's policy allows for investment of idle funds consistent with *Idaho Code* 67-1210 and 67-1210A.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, and Equity (Continued)

Receivables and Payables. Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund balances" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans).

Advances between funds are offset by a fund balance reserve account in applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources.

All trade accounts receivable are shown net of an allowance for doubtful accounts. Trade accounts receivable allowance for uncollectibles is calculated based upon past experience and management's assessment of the current receivables. Substantially, all property taxes are collected; therefore, no allowance is provided for property taxes.

The City's property taxes are levied by Idaho County in November and payable on December 20 and June 20 following the levy date. Taxes are remitted to the City in the month following collection. The taxes are delinquent and a lien is filed the day following the due date. A tax deed is issued on property three years from the date of delinquency. At fiscal year-end, the receivables represent delinquent taxes. Amounts not paid within 30 days are recorded as deferred revenue for the fund financial statements.

Inventory. The cost of inventories are recorded as expenditures when purchased rather than when consumed. No material amounts are held in inventory at September 30, 2024.

Restricted Assets. Bond covenants of the City's water and waste water treatment funds require portions of the debt proceeds as well as other resources to be set aside for various purposes. These amounts are reported as restricted assets.

Capital Assets. The City's property, plant, and equipment with useful lives of more than three years are stated at historical cost. Assets acquired prior to 2003 are stated at their estimated original cost. Infrastructure assets (e.g. streets, bridges, sidewalks, and similar items) are only recorded for assets acquired subsequent to 2004. Donated fixed assets are valued at the estimated fair value at the date of donation.

The City generally capitalizes assets that meet the following guidelines:

Asset Category	Cost	Life
Equipment	$ 3,000	3 years
Vehicles	3,000	3 years
Computer equipment	3,000	3 years
Infrastructure	10,000	10 years
Buildings	10,000	10 years
Water and wastewater systems	10,000	10 years

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, and Equity (Continued)

Capital Assets (Continued). The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets. Amortization of leased assets is included in depreciation expense.

Assets are depreciated on the straight-line method over the following estimated useful lives:

Equipment and vehicles	7-10 years
Computer equipment	3 years
Buildings	30 years
Infrastructure	30 years
Water and wastewater collection and treatment systems	15-40 years

Pensions. For purposes of measuring the net pension asset 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 the Base Plan's fiduciary net position have been determined on the same basis as they are reported by the Base Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Compensated Absences. The City is required to accrue a liability for employee's compensation for future absences if specific conditions are met. The City does not meet these conditions; therefore, no amount is accrued in the financial statements as of September 30, 2024.

Cash Flow Statement. The City considers all bank accounts, restricted and unrestricted cash to be cash for statement of cash flow purposes.

Use of Estimates. Management of the City uses estimates and assumptions in preparing financial statements in accordance with United States generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that management uses.

Government-wide and Proprietary Fund Net Position. Government-wide and proprietary fund net position are divided into three components:

- Invested in capital assets, net of related debt—consist of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.
- Restricted net position—consists of net position that is restricted by the City's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors.
- Unrestricted—all other net position is reported in this category.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, and Equity (Continued)

Deferred Outflows/Inflows of Resources. In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. For example, grant expenditures paid in advance of meeting timing requirements. Deferred outflows of resources reported in this year's government-wide and proprietary fund financial statements include amounts related to the City's participation in PERSI as outlined in Note 4D – Pension Plan. No deferred outflows of resources affect the fund financial statements in the current year.

In addition to liabilities, the statement of net 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 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 three sources: property taxes, special assessments, and watercraft inspections. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The government-wide and proprietary fund financial statements include amounts related to the City's participation in PERSI as outlined in Note 4D – Pension Plan.

Leases as a Lessor. As a lessor, the City has entered into agreements involving commercial property. The City recognizes a lease receivable and a deferred inflow of resources at the commencement of the lease term. The lease receivable is measured at the present value of the lease payments expected to be received during the lease term. The deferred inflow of resources is measured at the value of the lease receivable in addition to any payments received at or before the commencement of the lease term that relate to future periods.

Implementation of GASB Statement No. 87. As of October 1, 2021, the City adopted GASB Statement No. 87, Lease Accounting. The objective of this statement is to improve the identification of leasing activities for accounting and financial reporting purposes and how those activities should be reported for lessees and lessors.

2. BUDGETARY AND LEGAL COMPLIANCE

A. Budgetary Information

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

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

2. BUDGETARY AND LEGAL COMPLIANCE (CONTINUED)

A. Budgetary Information (Continued)

Public hearings are conducted at various times during the year to obtain taxpayer comments. Prior to the second Monday in September, the budget is legally enacted through passage of an ordinance. The budget covers all governmental and proprietary fund types. The City adopts budgets on the modified accrual basis of accounting for all governmental and proprietary fund types.

The City Council is authorized to transfer budgeted amounts between departments within any fund; however, expenditures from the emergency fund or any revisions that alter the total expenditures of any fund must be approved by the City Council. The legal level of budgetary control is the fund level.

Expenditures may not exceed the budget at the individual fund level.

3. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

A. Cash and Investments

Cash and investment policies are disclosed in Note 1.

The carrying amount of the City's cash and investments at year-end was $705,180 for governmental activities and $1,129,069 for business-type activities.

Cash and investments are classified as follows in the basic financial statements:

Cash and investments, Governmental Activities	$ 705,180
Cash and investments, Business-Type Activities	1,073,779
Cash and investments, Business-Type Activities – restricted	55,290
	$ 1,834,249

Investments include amounts held in the Idaho State Treasurer’s Local Government Investment Pool. Cash held in checking, savings, and certificates of deposit are covered by the NCUA.

Bank and investment balances consist of the following:

Cash held in checking, savings, and certificates	$ 167,249
Investments in Local Government Investment Pool	1,667,000
	$ 1,834,249

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will reduce the value of the City's investments. The City does not have a policy regarding interest rate risk.

3. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (CONTINUED)

A. Cash and Investments (Continued)

Custodial Risk. Custodial risk is the risk that, in the event of the failure of the investment custodian, the City will not be able to recover the value of its investments or collateral securities that are in the possession of the custodian. The City's demand deposits are insured up to Federal depository insurance limits. The City's investment in the Idaho State Treasurer's Local Government Investment Pool is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

Concentration of Credit Risk. The City has no policy on the amount they may invest in any one issuer.

Fair Value. Investments are measured on a recurring basis within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The City's investment in the Idaho State Treasurer's Local Government Investment Pool is measured with Level 2 inputs, which is the same inputs as the pool uses for its underlying investments.

B. Receivables

Delinquent taxes represent delinquent property amounts due from individuals. Over time, substantially all property taxes are collected.

Accounts receivables represent:	
Customer utility billings for water, wastewater collection, and sanitation	$ 36,476
Customer billings for ambulance services	158,679
Allowance for uncollectible accounts	(57,138)
Business-type activities	$ 138,017
Intergovernmental receivables represent:	
State of Idaho, state revenue sharing	$ 15,969
State of Idaho, highway user fees	6,682
State of Idaho, state liquor apportionment	5,942
Governmental activities	$ 28,593
State of Idaho, grants	$ 210,146
Business-type activities	$ 210,146

3. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (CONTINUED)

C. Capital Assets

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets not being depreciated:				
Land	$ 79,800			$ 79,800
Depreciable assets				
Buildings	1,422,008			1,422,008
Improvements	1,033,357			1,033,357
Equipment	273,751			273,751
Fire Equipment	475,250			475,250
	$3,284,166	$ 0	$ 0	3,284,166
Accumulated depreciation				
Buildings	$1,215,977	$ 22,699		1,238,676
Improvements	714,035	37,430		751,465
Equipment	248,781	7,388		256,169
Fire Equipment	475,250			475,250
	$2,654,043	$ 67,517	$ 0	2,721,560
				$ 562,606
Business-Type Activities				
Capital assets not being depreciated:				
Construction in progress	$1,760,411	$1,516,785		$3,277,196
Depreciable assets				
Equipment	723,648	10,000		733,648
Water Systems	2,119,079			2,119,079
Sewer Systems	863,991	17,864		881,855
Waste Water Systems	1,480,329			1,480,329
	$6,947,458	$1,544,649	$ 0	8,492,107
Accumulated depreciation				
Equipment	$ 462,410	$ 71,869		534,279
Water Systems	1,478,457	48,019		1,526,476
Sewer Systems	651,623	21,122		672,745
Waste Water Systems	941,031	44,791		985,822
	$3,533,521	$ 185,801	$ 0	3,719,322
				$4,772,785

3. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (CONTINUED)

C. Capital Assets (Continued)

Depreciation expense was charged to the following functions:

Governmental activities:	
Unallocated	$ 67,517
Business-type activities:	
Water	$ 51,345
Sewer	24,378
Waste water treatment	50,679
Ambulance Fund	59,399
Total depreciation expense - business-type activities	$ 185,801

D. Bonds Payable

Bonds payable are comprised of the following individual revenue bond issues:

Business-type Activities

$326,700 of 1990 water revenue bonds, due in annual installments of $21,716 (including interest) through February 1, 2030, interest at 6.0 percent.

$135,000 of 2007 waste water treatment bonds, due in annual installments of $7,928 (including interest) through May 15, 2037, interest at 4.5 percent.

$425,000 of 2011 water revenue bonds, due in annual installments of $23,840 (including interest) through June 22, 2042, interest at 4.125 percent.

The annual requirements to amortize all bond debt outstanding at September 30, 2024, are as follows (including interest):

Year Ending	1990 Water Bond	2007 WWTP Bond	2011 Water Bond	Interest Amount
2025	$ 15,702	$ 4,701	$ 12,407	$ 20,674
2026	16,644	4,895	12,880	19,065
2027	17,642	5,097	13,372	17,373
2028	18,701	5,307	13,882	15,594
2029	19,823	5,526	14,412	13,723
2030-2034	11,729	31,245	80,737	47,562
2035-2039		21,454	97,359	23,613
2040-2042			51,284	3,730
	$ 100,241	$ 78,225	$ 296,332	$ 161,335

3. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (CONTINUED)

E. Leases

The City leased equipment in March 2020 that is used by the Street, Water, Sewer, and Waste Water Treatment funds. The lease required a down payment of $60,000 with the remaining amount paid in annual installments of $18,010 (including interest at 4.44 percent) through March 2024. Amortization of this lease is included in depreciation expense.

The City is the lessor of a number of leases of real estate within the boundary of the City. The minimum future lease revenue for years ending September 30 is as follows:

2025	$ 6,207
2026	6,983
2027	6,983
2028	6,983
2029	6,983
2030-2034	16,872
2035-2039	8,757
	$ 59,768

3. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (CONTINUED)

F. Changes in Long-Term Obligations

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

	10/01/23	Additions	Reductions	09/30/24	Within One Year
Governmental Activities					
Lease payable	$ 4,351		$ 4,351	$ 0	$ 0
	$ 4,351	$ 0	$ 4,351	$ 0	$ 0
Business-type Activities					
Lease payable	$ 13,053		$ 13,053	$ 0	$ 0
Bonds payable	506,077		31,279	474,798	32,810
	$ 519,130	$ 0	$ 44,332	$ 474,798	$ 32,810

Total interest expense amounted to $152 in the governmental activities and $21,882 in the business-type activities. All interest is reported as direct program expenses.

4. OTHER INFORMATION

A. Risk Management

Comprehensive Liability

The City of Kooskia purchases liability and property insurance through the Idaho Counties Risk Management Program (ICRMP). ICRMP assumes or reinsures all risk covered for claims. Participants are charged an annual insurance premium. The amounts of settlements have not exceeded the insurance coverage for any of the last three years.

The general insurance limits are as follows:

General liability	$3,000,000 per covered occurrence
Automobile liability	$3,000,000 per covered occurrence
Errors and omissions liability	$3,000,000 per covered occurrence
Crime insurance	$500,000 per covered occurrence
Boiler and machinery	$2,500,000 per covered occurrence
Chemical spraying	$500,000 per covered occurrence

B. Segment Information

The City has issued revenue bonds to support the water and wastewater collection services. The fund financial statements report these funds as major funds and disclose the required segment information.

4. OTHER INFORMATION (CONTINUED)

C. 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, if any, of expenditures, which may be disallowed by the grantor, cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

D. Pension Plan

Plan Description. The City contributes to the Base Plan, which is a cost-sharing, multiple-employer, defined benefit pension plan administered by the Public Employee Retirement System of Idaho (PERSI) 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 for retirement, disability, death, and survivor benefits of eligible members or beneficiaries. Benefits are based upon members' years of service, age, and highest average salary. Members become fully vested in their retirement benefits with 5 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 classifications. The annual service retirement allowance for each month of credited service is 2.0 percent (2.3 percent for police/firefighters) of the average monthly salary for the highest consecutive 42 months.

The benefit payments for the Base Plan are calculated using a benefit formula adopted by the Idaho Legislature. The Base Plan is required to provide a 1 percent minimum cost of living increase per year provided the *Consumer Price Index* increases 1 percent 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 percent, whichever is less; however, any amount above the 1 percent minimum is subject to review by the Idaho Legislature.

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

4. OTHER INFORMATION (CONTINUED)

D. Pension Plan (Continued)

Member and Employer Contributions (Continued). The contribution rates for employees are set by statute at 60 percent of the employer rate for general employees and 72 percent for police and firefighters. At June 30, 2024, it was 6.71 percent for general employees. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.18 percent general employees.

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 of $115,832 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 .0030966 percent.

For the year ended September 30, 2024, the City recognized a net pension expense of $5,663. 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
Employer contributions made subsequent to the measurement date	$ 4,000	
Differences between expected and actual experience	$ 18,442	
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions		$ 9,165
Changes in assumptions or other inputs	$ 4,589	
Net difference between projected and actual earnings on pension plan investments		$ 2,103

Contributions made subsequent to the measurement date in the table above, will be recognized as a decrease of the net pension liability in the subsequent fiscal year.

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, 2024, is 4.4 and 4.4 for the measurement period June 30, 2023

4. OTHER INFORMATION (CONTINUED)

D. Pension Plan (Continued)

Pension Liabilities, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued). Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (revenues) as follows:

2025	$ 2,450
2026	18,845
2027	(5,825)
2028	(3,707)

Actuarial Assumptions. Valuations are based upon 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. PERSI amortizes any unfunded actuarial accrued liability based on a level percentage of payroll. The maximum amortization period permitted under Section 59-1322, *Idaho Code*, is 25 years.

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

Inflation	2.30%
Salary increases including inflation	3.05%
Investment rate of return	6.35%, net of pension plan investment expense
Cost of Living Adjustments (COLA)	1.00%

Several different sets of mortality rates are used in the valuation for contributing members, service retirement members, and beneficiaries. These rates were adopted for the valuation dated July 1, 2024.

Contributing Members, Service Retirement Members, and Beneficiaries.

General Employees and All Beneficiaries – M.	Pub-2010 General Tables, increased 11%
General Employees and All Beneficiaries – F.	Pub-2010 General Tables, increased 21%
Teachers – Male	Pub-2010 Teacher Tables, increased 12%
Teachers – Female	Pub-2010 Teacher Tables, increased 21%
Fire & Police – Male	Pub-2010 Safety Tables, increased 21%
Fire & Police – Female	Pub-2010 Safety Tables, increased 26%
Disabled Members – Male	Pub-2010 Disabled Tables, increased 38%
Disabled Members – Female	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.

4. OTHER INFORMATION (CONTINUED)

D. Pension Plan (Continued)

Actuarial Assumptions (Continued). 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 the 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.

CAPITAL MARKET ASSUMPTIONS

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

Discount Rate. The discount rate used to measure the total pension liability was 6.35 percent. 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 plan's 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.

4. OTHER INFORMATION (CONTINUED)

D. Pension Plan (Continued)

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 6.35 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (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%)
City's proportionate share of the net pension liability (asset)	$ 220,118	$ 115,832	$ 30,658

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.

E. Interfund Receivables, Payables, and Transfers

There are no interfund receivables or payables as of the end of this fiscal year.

The Sanitation Fund transferred excess fund balance of $12,111 to the General Fund for administrative costs.

F. Bond Ordinance Disclosures

(a) Earnings Ratio*.*

The water and waste water treatment plant (WWTP) rates of the City must be maintained at a level sufficient to provide net earnings from operations before depreciation and interest equal to 1.2 times the amount required each year to retire maturing bonds and interest due on all outstanding bonds for water and 1.1 times for WWTP.

	Water	WWTP
Operating income (loss)	$ (2,081)	$ (23,476)
Add: Depreciation	51,345	50,679
a) Net earnings before depreciation and interest	$ 49,264	$ 27,203
b) Amount required to retire bonds and to pay interest maturing in the next year	$ 45,556	$ 7,928
Ratio (a divided by b)	1.1	3.4

The City is not in compliance with Water's earnings ratio provisions.

4. OTHER INFORMATION (CONTINUED)

F. Bond Ordinance Disclosures (Continued)

(b) USDA Water Revenue Bond Fund.

The City is required to set aside a sum of $2,384 each year until there is accumulated in the debt service reserve fund the amount of $23,840. At fiscal year-end, the City had ten years' worth of payments accumulated, or $23,840, which is the proper amount. The City has established a water revenue bond reserve fund and is in compliance with this provision.

(c) 1990 Water Revenue Bond Fund.

The City is required to set aside the sum of $2,200 per year until there is accumulated in the debt service reserve fund the amount of $22,000. At fiscal year-end, the City should have accumulated $22,000. The City has established a water revenue bond reserve fund and is in compliance with this provision.

(d) 2007 Waste Water Treatment Bond Reserve Fund

The City is required to set aside an amount equal to the maximum annual debt service for this bond. That amount would be $9,450. The City has established a waste water treatment bond reserve fund with this amount and is in compliance with this provision.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF KOOSKIA

SCHEDULE OF PENSION FUNDING

SCHEDULE OF THE CITY'S SHARE OF NET PENSION ASSET AND LIABILITY - PERSI BASE PLAN
Data reported is measured as of June 30, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Employer's portion of the net pension (asset) liability	0.0030966%	0.0032722%	0.0034122%	0.0036328%	0.0037298%	0.0039355%	0.0046459%	0.0040146%	0.0038414%	0.0036868%
Employer's proportionate share of the net pension (asset) liability	$ 115,833	$ 130,581	$ 134,397	$ (2,869)	$ 87,000	$ 45,000	$ 69,000	$ 63,000	$ 78,000	$ 48,500
Employer's covered payroll	151,753	139,129	134,556	135,570	132,814	126,725	141,717	118,216	106,516	97,898
Employer's proportionate share of the net pension (asset) liability as a percentage of its covered payroll	76%	94%	100%	-2%	66%	36%	49%	53%	73%	50%
Plan fiduciary net position as a percentage of the total pension liability	86%	84%	83%	100%	88%	94%	92%	91%	87%	91%

SCHEDULE OF THE CITY'S CONTRIBUTIONS TO PENSION PLANS - PERSI BASE PLAN
Data reported is measured as of September 30, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	$ 18,939	$ 16,567	$ 15,998	$ 16,187	$ 15,838	$ 15,131	$ 16,835	$ 14,115	$ 12,960	$ 11,877
Contributions in relation to the statutorily required contribution	18,939	16,567	15,998	16,187	15,838	15,131	16,835	14,115	12,960	11,877
Contribution (deficiency) excess	0	0	0	0	0	0	0	0	0	0
Employer's covered payroll	165,919	141,236	133,987	135,600	132,600	133,700	148,700	124,700	114,500	104,900
Contributions as a percentage of covered payroll	11.41%	11.73%	11.94%	11.94%	11.94%	11.32%	11.32%	11.32%	11.32%	11.32%

CITY OF KOOSKIA

BUDGETARY COMPARISON SCHEDULE -
GENERAL FUND
Year Ended September 30, 2024

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
REVENUES				
Property taxes	$ 49,394	$ 49,394	$ 48,409	$ (985)
Licenses and permits	1,225	1,225	1,374	149
Intergovernmental	93,958	93,958	89,356	(4,602)
Charges for services	10,000	10,000	10,813	813
Earnings on investments	2,743	2,743	30,114	27,371
Miscellaneous	18,360	18,360	3,295	(15,065)
Total revenues	175,680	175,680	183,361	7,681
EXPENDITURES				
Personnel services	96,465	96,465	77,917	18,548
Supplies and materials	6,200	6,200	16,372	(10,172)
Services and charges	67,900	67,900	61,955	5,945
Capital outlay	17,435	17,435		17,435
Total expenditures	188,000	188,000	156,244	31,756
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(12,320)	(12,320)	27,117	39,437
OTHER FINANCING SOURCES (USES)				
Operating transfers in	12,320	12,320	12,111	(209)
Total other financing sources (uses)	12,320	12,320	12,111	(209)
NET CHANGES IN FUND BALANCE	0	0	39,228	39,228
FUND BALANCE AT BEGINNING OF YEAR	0	0	515,921	515,921
FUND BALANCE AT END OF YEAR	$ 0	$ 0	$ 555,149	$ 555,149

CITY OF KOOSKIA

BUDGETARY COMPARISON SCHEDULE -
STREET FUND
Year Ended September 30, 2024

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
REVENUES				
Property taxes	$ 59,497	$ 59,497	$ 57,793	$ (1,704)
Intergovernmental	49,003	49,003	54,118	5,115
Miscellaneous	7,100	7,100	7,897	797
Total revenues	115,600	115,600	119,808	4,208
EXPENDITURES				
Personnel services	46,425	46,425	48,291	(1,866)
Supplies and materials	5,500	5,500	5,081	419
Services and charges	45,900	45,900	43,196	2,704
Capital outlay	17,775	17,775		17,775
Debt service			4,503	(4,503)
Total expenditures	115,600	115,600	101,071	14,529
NET CHANGES IN FUND BALANCE	0	0	18,737	18,737
FUND BALANCE AT BEGINNING OF YEAR	0	0	113,070	113,070
FUND BALANCE AT END OF YEAR	$ 0	$ 0	$ 131,807	$ 131,807

SUPPLEMENTARY INFORMATION

PRESNELL GAGE, PLLC
ACCOUNTING AND CONSULTING

INDEPENDENT AUDITOR'S REPORT - *GOVERNMENT AUDITING STANDARDS*

Honorable Mayor and Members
of the City Council
City of Kooskia
Kooskia, Idaho

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Kooskia, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City of Kooskia's basic financial statements and have issued our report thereon dated June 20, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Kooskia's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Kooskia's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Kooskia'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 combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs (#2024-001) that we consider to be a significant deficiency.

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Orofino Office: P.O. Box 632, 216 Johnson Avenue, Orofino, Idaho 83544, (208) 476-3012
Pullman Office: 1230 SE Bishop Blvd., Pullman, Washington 99163, (509) 332-6541
Eagle Office: 1159 E Iron Eagle Drive, Suite 100, Eagle, Idaho 83616, (208) 319-2929

Report on Compliance and Other Matters

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

City of Kooskia's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City of Kooskia's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City of Kooskia's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

Presnell Gage, PLLC

June 20, 2025
Lewiston, Idaho

CITY OF KOOSKIA

ALL GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET
September 30, 2024

	General	Streets	Parks and Recreation	Revitalization Fund	Total
ASSETS					
Cash and investments	$ 534,771	$ 126,352	$ 38,638	$ 5,419	$ 705,180
Receivables					
Taxes	4,701	7,461	1,351		13,513
Intergovernmental	21,911	6,682			28,593
Leases	65,975				65,975
Total assets	$ 627,358	$ 140,495	$ 39,989	$ 5,419	$ 813,261
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ 1,533	$ 1,227	$ 72		$ 2,832
Total liabilities	1,533	1,227	72	$ 0	2,832
DEFERRED INFLOWS OF RESOURCES					
Leases	65,975				65,975
Unavailable revenue - property taxes	4,701	7,461	1,351		13,513
Total deferred inflows of resources	70,676	7,461	1,351	0	79,488
FUND BALANCES					
Assigned		131,807	38,566	5,419	175,792
Unassigned	555,149				555,149
Total fund balances	555,149	131,807	38,566	5,419	730,941
Total liabilities, deferred inflows of resources, and fund balances	$ 627,358	$ 140,495	$ 39,989	$ 5,419	$ 813,261

CITY OF KOOSKIA

ALL GOVERNMENTAL FUNDS

COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
Year Ended September 30, 2024

	General	Streets	Parks and Recreation	Revitalization Fund	Total
REVENUES					
Property taxes	$ 48,409	$ 57,793	$ 11,575		$ 117,777
License and permits	1,374				1,374
Intergovernmental	89,356	54,118	338	$ 350	144,162
Charges for services	10,813				10,813
Earnings on investments	30,114				30,114
Miscellaneous	3,295	7,897		5,000	16,192
Total revenues	183,361	119,808	11,913	$ 5,350	320,432
EXPENDITURES					
Current					
General government	118,027				118,027
Police protection	27,200				27,200
Fire protection	10,123				10,123
Airport	894				894
Culture and recreation			12,627		12,627
Transportation		96,568			96,568
Capital outlay				609	609
Debt service					
Principle payments		4,351			4,351
Interest		152			152
Total expenditures	156,244	101,071	12,627	609	270,551
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	27,117	18,737	(714)	4,741	49,881
OTHER FINANCING SOURCES (USES)					
Transfers in	12,111				12,111
Total other financing sources (uses)	12,111	0	0	0	12,111
NET CHANGES IN FUND BALANCES	39,228	18,737	(714)	4,741	61,992
FUND BALANCES AT BEGINNING OF YEAR	515,921	113,070	39,280	678	668,949
FUND BALANCES AT END OF YEAR	$ 555,149	$ 131,807	$ 38,566	$ 5,419	$ 730,941

CITY OF KOOSKIA

GENERAL FUND

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

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Property taxes			
Current property tax	$ 47,598	$ 46,386	$ (1,212)
Penalties and interest	1,796	2,023	227
Total property taxes	49,394	48,409	(985)
Licenses and permits			
Alcoholic beverage license	725	1,194	469
Business licenses and permits		140	140
Animal control	500	40	(460)
Total licenses and permits	1,225	1,374	149
Intergovernmental			
Agriculture replacement	658	882	224
Court revenue	100		(100)
Liquor apportionment	29,000	28,028	(972)
State revenue sharing	64,200	60,446	(3,754)
Total intergovernmental	93,958	89,356	(4,602)
Charges for services			
Airport revenue	7,500	8,113	613
Rents	2,500	2,700	200
Total charges for services	10,000	10,813	813
Miscellaneous			
Interest	2,743	30,114	27,371
Refunds and reimbursements	15,360	417	(14,943)
Other	3,000	2,878	(122)
Total miscellaneous	21,103	33,409	12,306
Total revenues	175,680	183,361	7,681

CITY OF KOOSKIA

GENERAL FUND

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

	Budget	Actual	Variance Favorable (Unfavorable)
EXPENDITURES			
General Government			
General administration			
Personal services	$ 96,465	$ 77,917	$ 18,548
Supplies	6,200	6,249	(49)
Other services and charges	38,800	33,861	4,939
Capital outlay	17,435		17,435
Total general administration	158,900	118,027	40,873
Airport			
Other service and charges	1,500	894	606
Total airport	1,500	894	606
Total general government	160,400	118,921	41,479
Public Safety			
Police protection			
Other services and charges	27,200	27,200	0
Total police protection	27,200	27,200	0
Animal Control			
Other services and charges	400		400
Total animal control	400	0	400
Fire Protection			
Supplies		10,123	(10,123)
Total fire protection	0	10,123	(10,123)
Total public safety	27,600	37,323	(9,723)
Total expenditures	188,000	156,244	31,756
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(12,320)	27,117	39,437
OTHER FINANCING SOURCES (USES)			
Operating transfers in	12,320	12,111	(209)
Total other financing sources (uses)	12,320	12,111	(209)
NET CHANGE IN FUND BALANCE	0	39,228	39,228
FUND BALANCE AT BEGINNING OF YEAR	0	515,921	515,921
FUND BALANCE AT END OF YEAR	$ 0	$ 555,149	$ 555,149

CITY OF KOOSKIA

PARKS AND RECREATION FUND

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

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Property taxes			
Current property tax	$ 12,160	$ 11,913	$ (247)
Total property taxes	12,160	11,913	(247)
Miscellaneous			
Other	20,000		(20,000)
Total miscellaneous	20,000	0	(20,000)
Total revenues	32,160	11,913	(20,247)
EXPENDITURES			
Culture and recreation			
Supplies	660	228	432
Other services and charges	6,000	12,399	(6,399)
Capital outlay	25,500		25,500
Total culture and recreation	32,160	12,627	19,533
Total expenditures	32,160	12,627	19,533
NET CHANGE IN FUND BALANCE	0	(714)	(714)
FUND BALANCE AT BEGINNING OF YEAR	0	39,280	39,280
FUND BALANCE AT END OF YEAR	$ 0	$ 38,566	$ 38,566

CITY OF KOOSKIA

REVITALIZATION FUND

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

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Intergovernmental		$ 350	$ 350
Other		5,000	5,000
Total revenues	$ 0	$ 5,350	$ 5,350
EXPENDITURES			
Capital outlay		609	(609)
Total expenditures	0	609	(609)
NET CHANGE IN FUND BALANCE	0	4,741	4,741
FUND BALANCE AT BEGINNING OF YEAR	0	678	678
FUND BALANCE AT END OF YEAR	$ 0	$ 5,419	$ 5,419

CITY OF KOOSKIA

WATER FUND

SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGETARY BASIS - BUDGET AND ACTUAL
Year Ended September 30, 2024

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Charges for services	$ 154,550	$ 141,630	$ (12,920)
Hookup fees	7,000	1,037	(5,963)
Total revenues	161,550	142,667	(18,883)
EXPENDITURES			
Personal services	46,425	48,563	(2,138)
Supplies	3,500	2,692	808
Other services and charges	45,887	42,148	3,739
Capital outlay	121,178	20,224	100,954
Total expenditures	216,990	113,627	103,363
OPERATING INCOME (LOSS)	(55,440)	29,040	84,480
NONOPERATING REVENUES (EXPENDITURES)			
Interest revenue	1,000	21,512	20,512
Principal and interest	(45,560)	(49,350)	(3,790)
Miscellaneous revenue		1,072	1,072
Total nonoperating revenues (expenditures)	(44,560)	(26,766)	17,794
NET INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(100,000)	2,274	102,274
CONTRIBUTIONS AND TRANSFERS			
Capital contributions	100,000	108,945	8,945
Total contributions and transfers	100,000	108,945	8,945
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ 0	$ 111,219	$ 111,219
Reconciliation of change in fund balance - budgetary basis to change in net position			
Excess (deficiency) of revenues over expenditures budgetary basis		$ 111,219	
Budgeted expenditures, which do not affect net position			
Principal payments		31,115	
Capital outlay		20,224	
Noncash, nonbudget activity, which affects net position			
PERSI retirement actuarial change		(3,749)	
Depreciation		(51,345)	
Change in net position		$ 107,464	

CITY OF KOOSKIA

SEWER FUND

SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGETARY BASIS - BUDGET AND ACTUAL
Year Ended September 30, 2024

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Charges for services	$ 74,500	$ 73,317	$ (1,183)
Hookup fees	6,000	684	(5,316)
Total revenues	80,500	74,001	(6,499)
EXPENDITURES			
Personal services	46,425	48,552	(2,127)
Supplies	5,200	2,970	2,230
Other services and charges	22,545	24,781	(2,236)
Capital outlay	6,041,830	1,534,649	4,507,181
Total expenditures	6,116,000	1,610,952	4,505,048
OPERATING INCOME (LOSS)	(6,035,500)	(1,536,951)	4,498,549
NONOPERATING REVENUES (EXPENDITURES)			
Interest revenue	500	16,597	16,097
Principal and interest		(4,503)	(4,503)
Miscellaneous revenue	35,000		(35,000)
Total nonoperating revenues (expenditures)	35,500	12,094	(23,406)
NET INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(6,000,000)	(1,524,857)	4,475,143
CONTRIBUTIONS AND TRANSFERS			
Capital contributions	6,000,000	1,522,783	(4,477,217)
Total contributions and transfers	6,000,000	1,522,783	(4,477,217)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ 0	$ (2,074)	$ (2,074)
Reconciliation of change in fund balance - budgetary basis to change in net position			
Excess (deficiency) of revenues over expenditures budgetary basis		$ (2,074)	
Budgeted expenditures, which do not affect net position			
Principal payments		4,351	
Capital outlay		1,534,649	
Noncash, nonbudget activity, which affects net position			
PERSI retirement actuarial change		(2,977)	
Depreciation		(24,378)	
Change in net position		$ 1,509,571	

CITY OF KOOSKIA

WASTE WATER TREATMENT FUND

SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGETARY BASIS - BUDGET AND ACTUAL
Year Ended September 30, 2024

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Charges for services	$ 119,250	$ 114,404	$ (4,846)
Total revenues	119,250	114,404	(4,846)
EXPENDITURES			
Personal services	46,425	48,507	(2,082)
Supplies	6,235	7,527	(1,292)
Other services and charges	39,385	31,167	8,218
Capital outlay	16,705		16,705
Total expenditures	108,750	87,201	21,549
OPERATING INCOME (LOSS)	10,500	27,203	16,703
NONOPERATING REVENUES (EXPENDITURES)			
Interest revenue		1,729	1,729
Principal and interest	(8,000)	(7,846)	154
Miscellaneous revenue	(2,500)		2,500
Total nonoperating revenues (expenditures)	(10,500)	(6,117)	4,383
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ 0	$ 21,086	$ 21,086
Reconciliation of change in fund balance - budgetary basis to change in net position			
Excess (deficiency) of revenues over expenditures budgetary basis		$ 21,086	
Budgeted expenditures, which do not affect net position			
Principal payment		4,351	
Noncash, nonbudget activity, which affects net position			
PERSI retirement actuarial change		(3,569)	
Depreciation		(50,679)	
Change in net position		$ (28,811)	

CITY OF KOOSKIA

SANITATION FUND

SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGETARY BASIS - BUDGET AND ACTUAL
Year Ended September 30, 2024

	Budget	Actual	Variance Favorable (Unfavorable)
OPERATING REVENUES			
Charges for services	$ 117,000	$ 110,931	$ (6,069)
Total operating revenues	117,000	110,931	(6,069)
OPERATING EXPENDITURES			
Other services and charges	104,125	98,393	5,732
Total operating expenditures	104,125	98,393	5,732
OPERATING INCOME (LOSS)	12,875	12,538	(337)
CONTRIBUTIONS AND TRANSFERS			
Transfers out	(12,875)	(12,111)	764
Transfers from			0
Total contributions and transfers	(12,875)	(12,111)	764
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ 0	$ 427	$ 427

CITY OF KOOSKIA

AMBULANCE FUND

SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGETARY BASIS - BUDGET AND ACTUAL
Year Ended September 30, 2024

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Charges for services	$ 160,000	$ 232,660	$ 72,660
Total revenues	160,000	232,660	72,660
EXPENDITURES			
Supplies	40,200	36,446	3,754
Other services and charges	124,600	131,142	(6,542)
Capital outlay	102,400	10,000	92,400
Total expenditures	267,200	177,588	89,612
OPERATING INCOME (LOSS)	(107,200)	55,072	162,272
NONOPERATING REVENUES (EXPENDITURES)			
Interest earned	500	8,164	7,664
Other	6,700	1,793	(4,907)
Total nonoperating revenues (expenditures)	7,200	9,957	2,757
NET INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(100,000)	65,029	(165,029)
CONTRIBUTIONS AND TRANSFERS			
Capital contributions	100,000	778	(99,222)
Total contributions and transfers	100,000	778	(99,222)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ 0	$ 65,807	$ 65,807
Reconciliation of change in fund balance - budgetary basis to change in net position			
Excess (deficiency) of revenues over expenditures budgetary basis		$ 65,807	
Budgeted expenses, which do not affect net position			
Capital outlay		10,000	
Noncash, nonbudget activity, which affects net position			
Depreciation		(59,399)	
Change in net position		$ 16,408	

PRESNELL GAGE, PLLC
ACCOUNTING AND CONSULTING

INDEPENDENT AUDITOR'S REPORT – *UNIFORM GUIDANCE*

Honorable Mayor and Members
of the City Council
City of Kooskia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion of Each Major Federal Program

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

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

Lewiston Office: 1216 Idaho Street, Lewiston, Idaho 83501, (208) 746-8281
Moscow Office: 609 South Washington, Suite 202, Moscow, Idaho 83843, (208) 882-2211
Grangeville Office: 109 South Mill Street, Grangeville, Idaho 83530, (208) 983-1254
Orofino Office: P.O. Box 632, 216 Johnson Avenue, Orofino, Idaho 83544, (208) 476-3012
Pullman Office: 1230 SE Bishop Blvd., Pullman, Washington 99163, (509) 332-6541
Eagle Office: 1159 E Iron Eagle Drive, Suite 100, Eagle, Idaho 83616, (208) 319-2929

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City of Kooskia's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City of Kooskia's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *Uniform Guidance*, but not for the purpose of expressing an opinion on the effectiveness of the City of Kooskia's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and, therefore, material weaknesses or significant deficiencies may exist, that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

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

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as finding #2024-001, to be considered a significant deficiency.

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

Government Auditing Standards require the auditor to perform limited procedures on the City of Kooskia's response to the internal control over compliance findings identified in our compliance audit, described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Presnell Gage, PLLC

June 20, 2025
Lewiston, Idaho

CITY OF KOOSKIA

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

	Federal Financial Assistance Listing Number	Pass Through Entity Identifying Number	Passed Through To Subrecipients	Federal Expenditures
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Passed through the State of Idaho - Department of Commerce				
Community Development Block Grants	14.228	B-19-DC-16-0001	None	$ 25,566
ENVIRONMENTAL PROTECTION AGENCY				
Passed through the State of Idaho - Department of Environmental Quality				
Capitalization Grants for Clean Water State Revolving Funds	66.458	WW2306AP	None	1,444,717
DEPARTMENT OF THE TREASURY				
Passed through the Idaho Office of the Governor				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027		None	108,945
TOTAL EXPENDITURES OF FEDERAL AWARDS				$ 1,579,228

NOTE 1: BASIS OF PRESENTATION

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the *Uniform Guidance*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3: DE MINIMIS INDIRECT COST RATE

The City did not elect to use the 10 percent de minimis cost rate.

CITY OF KOOSKIA

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

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified	
Internal control over financial reporting:		
* Material weakness(es) identified	___ yes	_X_ no
* Significant deficiency(s) identified that are not considered to be material weaknesses?	_X_ yes	___ no
Noncompliance material to financial statements noted?	___ yes	_X_ no

Federal Awards

Internal control over major programs:		
* Material weakness(es) identified	___ yes	_X_ no
* Significant deficiency(s) identified that are not considered to be material weaknesses?	_X_ yes	___ no
Type of auditor's report issued on compliance for major programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with OMB's *Uniform Guidance*?	___ yes	_X_ no

Identification of major programs:

CFDA Numbers	Name of Federal Program or Cluster
66.458	Capitalization Grants for Clean Water State Revolving Funds

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

Section II – Financial Statement Findings

SIGNIFICANT DEFICIENCY

Finding #2024-001

Criteria: Internal control systems generally attempt to divide up accounting tasks among multiple individuals (segregation of duties) to improve the ability of the organization to identify errors within the accounting system.

Condition: The City of Kooskia has concentrated many accounting duties to one individual such that the desired segregation of duties is not possible. There are a limited number of personnel available to provide for the desired "segregation of duties."

Effect: Many accounting duties are performed by a single individual with limited oversight available within the City of Kooskia.

Response: The City of Kooskia's Council Members believe that the cost of hiring additional accounting staff outweighs the benefits that segregation of duties would provide.

Recommendation: We concur with the City's response.

Section III – Federal Award Findings and Questioned Costs

SIGNIFICANT DEFICIENCY

Finding #2024-001

Criteria: Internal control systems generally attempt to divide up accounting tasks among multiple individuals (segregation of duties) to improve the ability of the organization to identify errors within the accounting system.

Condition: The City of Kooskia has concentrated many accounting duties to one individual such that the desired segregation of duties is not possible. There are a limited number of personnel available to provide for the desired "segregation of duties."

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Response: The City of Kooskia's Council Members believe that the cost of hiring additional accounting staff outweighs the benefits that segregation of duties would provide.

Recommendation: We concur with the City's response.