CITY OF KUNA, IDAHO

Report on Audited
Basic Financial Statements,
Supplementary Information
and
Other Information

For the Year Ended September 30, 2024

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Independent Auditor's Report

To the Honorable Mayor
and City Council
City of Kuna, 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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Kuna, Idaho (the City), 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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Kuna, Idaho, as of September 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about 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 employer's share of net pension liability (asset), schedule of employer contributions, and budgetary comparison information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our 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 has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining nonmajor fund financial statements 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 combining nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the supplemental schedules of revenues by source and expenditures by object – budget and actual – general fund but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 24, 2025, on our consideration of City of Kuna, Idaho's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Bailey & Co.

Nampa, Idaho
February 24, 2025

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

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Unit
Assets				
Current Assets:				
Cash and Cash Equivalents	$ 26,875,595	$ 43,220,715	$ 70,096,310	$ 949,668
Prepaid Items	23,488	61,972	85,460	0
Receivables, Net:				
Property Taxes	4,864,433	0	4,864,433	577,075
Interest	184,840	362,837	547,677	3,058
Accounts and Notes	26,416	1,265,172	1,291,588	0
Intergovernmental and Grants	900,756	0	900,756	0
Total Current Assets	32,875,528	44,910,696	77,786,224	1,529,801
Noncurrent Assets:				
Restricted Cash	2,698,642	0	2,698,642	0
Note Receivables, Net	0	12,326	12,326	0
Capital Assets:				
Land and Construction in Progress	5,464,443	2,570,778	8,035,221	0
Buildings, Net	4,380,823	24,760,442	29,141,265	0
Equipment/Vehicles, Net	845,043	3,308,186	4,153,229	0
Improvements/Infrastructure, Net	7,490,096	45,956,483	53,446,579	0
Intangibles, Net	342,875	433,214	776,089	201,680
Right-of-Use Assets, Net	41,610	0	41,610	0
Total Capital Assets	18,564,890	77,029,103	95,593,993	201,680
Total Noncurrent Assets	21,263,532	77,041,429	98,304,961	201,680
Total Assets	54,139,060	121,952,125	176,091,185	1,731,481
Deferred Outflows				
Pension	307,798	411,691	719,489	0
Liabilities				
Current Liabilities:				
Accounts Payable and Other Current Liabilities	316,289	1,949,421	2,265,710	25
Contingent Liability	0	113,750	113,750	0
Accrued Interest	1,284	0	1,284	0
Unearned Revenue	43,079	30,018	73,097	0
Total Current Liabilities	360,652	2,093,189	2,453,841	25

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

City of Kuna, Idaho
Statement of Net Position (continued)
September 30, 2024

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Unit
Long-term Liabilities:				
Due Within One Year:				
Compensated Absences	173,826	207,022	380,848	0
Subscription Liability	12,081	0	12,081	0
Lease Liability	4,778	0	4,778	
Notes Payable	866,453	0	866,453	0
Due in More Than One Year:				
Net Pension Liability	1,372,009	1,549,126	2,921,135	0
Subscription Liability	12,728	0	12,728	0
Lease Liability	11,304	0	11,304	
Notes Payable	3,077,262	0	3,077,262	0
Total Long-term Liabilities	5,530,441	1,756,148	7,286,589	0
Total Liabilities	5,891,093	3,849,337	9,740,430	25
Deferred Inflows				
Pension	31,180	86,338	117,518	0
Property Tax Revenue	4,806,450	0	4,806,450	572,565
Total Deferred Inflows	4,837,630	86,338	4,923,968	572,565
Net Position				
Net Investment in Capital Assets	18,523,999	77,029,103	95,553,102	201,680
Restricted	8,546,868	0	8,546,868	957,211
Unrestricted	16,647,268	41,399,038	58,046,306	0
Total Net Position	$ 43,718,135	$ 118,428,141	$ 162,146,276	$ 1,158,891

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

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

Functions	Expenses	Program Revenues: Charges for Services and Sales	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue
Governmental Activities:					
General Government	$ 10,826,305	$ 4,297,324	$ 35,725	$ 95,500	$ (6,397,756)
Community and Economic Development	445,688	4,851,236	0	24,763	4,430,311
Interest on Long-term Debt	254,404	0	0	0	(254,404)
Total Governmental Activities	11,526,397	9,148,560	35,725	120,263	(2,221,849)
Business-type Activities:					
Water	3,304,128	4,741,967	0	42,543	1,480,382
Sewer	6,577,638	7,927,335	0	28,536	1,378,233
Irrigation	1,601,162	2,351,412	0	0	750,250
Trash	3,881,161	3,898,329	0	0	17,168
Total Business-type Activities	15,364,089	18,919,043	0	71,079	3,626,033
Total Primary Government	$ 26,890,486	$ 28,067,603	$ 35,725	$ 191,342	$ 1,404,184
Component Unit:					
Urban Renewal	$ 23,440	$ 0	$ 0	$ 0	$ (23,440)

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

City of Kuna, Idaho
Statement of Activities (continued)
For the Year Ended September 30, 2024

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Unit
Change in Net Position				
Net (Expense) Revenue	$ (2,221,849)	$ 3,626,033	$ 1,404,184	$ (23,440)
General Revenues				
Property Taxes	4,588,180	0	4,588,180	484,940
Sales Tax Revenue Sharing	2,821,003	0	2,821,003	0
Liquor Apportionment	307,315	0	307,315	0
Impact Fees	2,373,593	0	2,373,593	0
Other	285,783	0	285,783	0
Investment Earnings	1,277,530	2,200,508	3,478,038	24,225
Disposal of Assets	(7,641)	3,156	(4,485)	0
Special Items				
Capital Asset Contribution to Another Government	(79,730)	0	(79,730)	0
Extraordinary Items				
Pollution Remediation	0	(113,750)	(113,750)	0
Total General Revenues and Transfers	11,566,033	2,089,914	13,655,947	509,165
Change in Net Position	9,344,184	5,715,947	15,060,131	485,725
Net Position, Beginning	34,373,951	112,712,194	147,086,145	673,166
Net Position, Ending	$ 43,718,135	$ 118,428,141	$ 162,146,276	$ 1,158,891

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

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

	General	Late Comers' Fee	Park Impact Fee	Police Impact Fee	Nonmajor Funds	Total Governmental Funds
Assets						
Cash and Cash Equivalents	$ 20,750,191	$ 5,903,358	$ 0	$ 0	$ 222,046	$ 26,875,595
Prepaid Items	23,488	0	0	0	0	23,488
Receivables, Net:						
Property Taxes	4,864,433	0	0	0	0	4,864,433
Interest	137,201	39,085	8,554	0	0	184,840
Accounts	26,416	0	0	0	0	26,416
Intergovernmental and Grants	875,993	0	0	0	24,763	900,756
Internal Balances	1,452,374	0	0	0	0	1,452,374
Restricted Cash	0	0	2,561,479	137,163	0	2,698,642
Total Assets	28,130,096	5,942,443	2,570,033	137,163	246,809	37,026,544
Deferred Outflows	0	0	0	0	0	0
Total Assets and Deferred Outflows	$ 28,130,096	$ 5,942,443	$ 2,570,033	$ 137,163	$ 246,809	$ 37,026,544
Liabilities						
Internal Balances	$ 0	$ 0	$ 0	$ 1,452,374	$ 0	$ 1,452,374
Accounts Payable	177,155	0	2,939	0	9,478	189,572
Benefits and Wages Payable	103,103	0	0	0	0	103,103
Payroll Taxes Payable	23,614	0	0	0	0	23,614
Accrued Interest	1,284	0	0	0	0	1,284
Unearned Revenues	43,079	0	0	0	0	43,079
Total Liabilities	348,235	0	2,939	1,452,374	9,478	1,813,026
Deferred Inflows						
Unavailable Property Taxes	4,857,831	0	0	0	0	4,857,831
Fund Balances:						
Nonspendable	23,488	0	0	0	0	23,488
Restricted	0	5,942,443	2,567,094	0	37,331	8,546,868
Assigned	0	0	0	0	200,000	200,000
Unassigned	22,900,542	0	0	(1,315,211)	0	21,585,331
Total Fund Balances	22,924,030	5,942,443	2,567,094	(1,315,211)	237,331	30,355,687
Total Liabilities, Deferred Inflows, and Fund Balances	$ 28,130,096	$ 5,942,443	$ 2,570,033	$ 137,163	$ 246,809	$ 37,026,544

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

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

Total Fund Balances - Governmental Funds		$ 30,355,687
Amounts reported for governmental activities in the statement of net position are different because of the following:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds. The cost of assets consist of:		
Land and Construction in Progress	$ 5,464,443	
Buildings, Net of $756,227 Accumulated Depreciation	4,380,823	
Equipment/Vehicles, Net of $1,493,477 Accumulated Depreciation	845,043	
Improvements/Infrastructure, Net of $1,438,633 Accumulated Depreciation	7,490,096	
Intangibles, Net of $254,438 Accumulated Amortization	342,875	
Right-of-Use Assets, Net of $20,765 Accumulated Amortization	41,610	
		18,564,890
In the government-wide statements, deferred inflows represent acquisitions of net position that are applicable to a future reporting period and deferred outflows represent the consumption of resources that are applicable to a future reporting period. These deferrals consist of:		
Deferred Outflows Related to Net Pension Liability	307,798	
Deferred Inflows Related to Net Pension Liability	(31,180)	
		276,618
Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities. Long-term liabilities at year end consist of:		
Subscription Liability	(24,809)	
Lease Liability	(16,082)	
Notes Payable	(3,943,715)	
Compensated Absences	(173,826)	
Net Pension Liability	(1,372,009)	
		(5,530,441)
Property taxes receivable for delinquent levies will be collected in the next year, but are not available soon enough to pay for current period expenditures, and therefore, are unavailable in the fund financial statements.		51,381
Net Position of Governmental Activities		$ 43,718,135

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

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

	General	Formerly Major Fund Grant	Late Comers' Fee	Park Impact Fee	Police Impact Fee	Nonmajor Funds	Total Governmental Funds
Revenues							
Property Taxes	$ 4,596,042		$ 0	$ 0		$ 0	$ 4,596,042
Charges for Services	4,297,324		4,851,236	0		0	9,148,560
Grants and Contributions	0		0	0		155,988	155,988
Intergovernmental	3,128,318		0	0		0	3,128,318
Impact Fees	0		0	2,119,656	253,937	0	2,373,593
Interest	955,187		216,353	105,990	0	0	1,277,530
Other	285,783		0	0	0	0	285,783
Total Revenues	13,262,654		5,067,589	2,225,646	253,937	155,988	20,965,814
Expenditures							
Current:							
Salaries and Benefits	2,642,874		0	0		0	2,642,874
Maintenance and Operations	6,655,522		0	0	0	110,960	6,766,482
Community and Economic Development	0		445,688	0		0	445,688
Capital Outlay	228,883		0	1,458,312	76,032	644,819	2,408,046
Debt Service:							
Principal	4,633		2,384,278	0	0	0	2,388,911
Interest	1,284		253,120	0	0	0	254,404
Total Expenditures	9,533,196		3,083,086	1,458,312	76,032	755,779	14,906,405
Excess (Deficiency) of Revenues Over Expenditures	3,729,458		1,984,503	767,334	177,905	(599,791)	6,059,409
Other Financing Sources (Uses)							
Disposal of Assets	4,667		0	0		0	4,667
Debt Issuance	24,809		0	0		0	24,809
Transfers In	2,175		0	0	0	355,014	357,189
Transfers Out	(355,014)		0	0	0	(2,175)	(357,189)
Total Other Financing Sources (Uses)	(323,363)		0	0	0	352,839	29,476
Net Change in Fund Balances	3,406,095		1,984,503	767,334	177,905	(246,952)	6,088,885
Fund Balances - Beginning, Previously	19,517,935	282,108	3,957,940	1,799,760	0	(1,290,941)	24,266,802
Change Within Financial Reporting Entity (Nonmajor to Major Fund)					(1,493,116)	1,493,116	0
Change Within Financial Reporting Entity (Major to Nonmajor Fund)	0	(282,108)	0	0	0	282,108	0
Fund Balances - Beginning, Restated	19,517,935		3,957,940	1,799,760	(1,493,116)	484,283	24,266,802
Fund Balances - Ending	$ 22,924,030		$ 5,942,443	$ 2,567,094	$ (1,315,211)	$ 237,331	$ 30,355,687

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

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

Total Net Change in Fund Balance - Governmental Funds		$ 6,088,885
Amounts reported for governmental activities in the statement of activities are different because of the following:		
Capital assets are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their useful lives as depreciation and amortization expense. In the current period these amounts are:		
Capital Outlay	$ 1,981,502	
Disposal of Assets	(92,038)	
Depreciation and Amortization Expense	(803,334)	
Net		1,086,130
Because some revenues will not be collected for several months after the City's fiscal year ends, they are not considered as "available" revenues in the governmental funds and are, instead, counted as deferred inflows. They are, however, recorded as revenues in the statement of activities.		(7,862)
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Compensated Absences Liability Changes	2,447	
Net Pension Liability (Asset) and Related Deferral Changes	(189,518)	
		(187,071)
The proceeds from long-term debt (e.g., bonds, notes, leases, subscriptions) provides current financial resources to governmental funds, while repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount represents the net effect of these differences in the treatment of long-term debt and related items.		
Principal Payments on Long-term Debt	2,388,911	
Issuance of Debt	(24,809)	
		2,364,102
Change in Net Position of Governmental Activities		$ 9,344,184

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

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

	Business-type Activities - Enterprise Funds		
	Water	Sewer	Irrigation
Assets			
Current Assets:			
Cash and Cash Equivalents	$ 14,733,336	$ 18,830,193	$ 9,528,672
Prepaid Items	51,207	8,255	2,510
Interest Receivable	154,661	128,960	79,216
Accounts and Notes Receivable, Net	367,164	554,029	2,347
Internal Balances	7,012	7,012	0
Total Current Assets	15,313,380	19,528,449	9,612,745
Noncurrent Assets:			
Notes Receivable, Net	0	839	11,487
Capital Assets:			
Land and Construction in Progress	305,630	1,948,351	316,797
Buildings, Net	662,430	23,408,476	689,536
Equipment/Vehicles, Net	700,330	2,432,374	175,482
Improvements/Infrastructure, Net	15,374,920	25,089,545	5,492,018
Intangibles, Net	117,796	315,418	0
Total Noncurrent Assets	17,161,106	53,195,003	6,685,320
Total Assets	32,474,486	72,723,452	16,298,065
Deferred Outflows			
Pension	159,449	229,765	22,477
Liabilities			
Current Liabilities:			
Accounts Payable	126,517	329,868	62,779
Internal Balances	0	0	0
Contingent Liability	0	113,750	0
Benefits and Wages Payable	64,856	65,626	19,143
Deposits from Others	815,773	0	0
Due to KeyBank LID	0	438,173	0
Unearned Revenues	0	0	30,018
Compensated Absences	96,827	82,907	27,288
Total Current Liabilities	1,103,973	1,030,324	139,228
Long-term Liabilities:			
Net Pension Liability	649,587	726,947	172,592
Total Liabilities	1,753,560	1,757,271	311,820
Deferred Inflows			
Pension	36,983	43,596	5,759
Net Position			
Net Investment in Capital Assets	17,161,106	53,194,164	6,673,833
Unrestricted	13,682,286	17,958,186	9,329,130
Total Net Position	$ 30,843,392	$ 71,152,350	$ 16,002,963

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

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

	Business-type Activities - Enterprise Funds			
	Trash	Water East	Sewer East	Total
Assets				
Current Assets:				
Cash and Cash Equivalents	$ 128,514	$ 0	$ 0	$ 43,220,715
Prepaid Items	0	0	0	61,972
Interest Receivable	0	0	0	362,837
Accounts and Notes Receivable, Net	341,632	0	0	1,265,172
Internal Balances	0	0	0	14,024
Total Current Assets	470,146	0	0	44,924,720
Noncurrent Assets:				
Notes Receivable, Net	0	0	0	12,326
Capital Assets:				
Land and Construction in Progress	0	0	0	2,570,778
Buildings, Net	0	0	0	24,760,442
Equipment/Vehicles, Net	0	0	0	3,308,186
Improvements, Net	0	0	0	45,956,483
Intangibles, Net	0	0	0	433,214
Total Noncurrent Assets	0	0	0	77,041,429
Total Assets	470,146	0	0	121,966,149
Deferred Outflows				
Pension	0	0	0	411,691
Liabilities				
Current Liabilities:				
Accounts Payable	26,686	0	0	545,850
Internal Balances	0	7,012	7,012	14,024
Contingent Liability	0	0	0	113,750
Benefits and Wages Payable	0	0	0	149,625
Deposits from Others	0	0	0	815,773
Due to KeyBank LID	0	0	0	438,173
Unearned Revenues	0	0	0	30,018
Compensated Absences	0	0	0	207,022
Total Current Liabilities	26,686	7,012	7,012	2,314,235
Long-term Liabilities:				
Net Pension Liability	0	0	0	1,549,126
Total Liabilities	26,686	7,012	7,012	3,863,361
Deferred Inflows				
Pension	0	0	0	86,338
Net Position				
Net Investment in Capital Assets	0	0	0	77,029,103
Unrestricted	443,460	(7,012)	(7,012)	41,399,038
Total Net Position	$ 443,460	$ (7,012)	$ (7,012)	$ 118,428,141

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

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

	Business-type Activities - Enterprise Funds		
	Water	Sewer	Irrigation
Operating Revenues			
Charges for Services	$ 3,318,561	$ 6,152,352	$ 1,536,888
Hook Ups	1,189,517	1,436,741	745,144
Delinquent Fees	32,854	63,561	14,722
Miscellaneous	201,035	274,681	54,658
Total Operating Revenues	4,741,967	7,927,335	2,351,412
Operating Expenses			
Salaries and Benefits	1,336,494	1,316,923	420,895
Contractor Services	94,034	102,011	29,311
Maintenance and Operations	673,038	1,632,049	682,657
Depreciation	1,193,550	3,519,643	468,299
Total Operating Expenses	3,297,116	6,570,626	1,601,162
Operating Income (Loss)	1,444,851	1,356,709	750,250
Nonoperating Revenues (Expenses)			
Grants	42,543	28,536	0
Interest Earned	894,928	823,722	481,858
Disposal of Assets	1,156	2,000	0
Total Nonoperating Revenues (Expenses)	938,627	854,258	481,858
Extraordinary Item			
Pollution Remediation	0	(113,750)	0
Change in Net Position	2,383,478	2,097,217	1,232,108
Net Position - Beginning	28,459,914	69,055,133	14,770,855
Net Position - Ending	$ 30,843,392	$ 71,152,350	$ 16,002,963

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

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

	Business-type Activities - Enterprise Funds			
	Trash	Water East	Sewer East	Total
Operating Revenues				
Charges for Services	$ 3,898,329	$ 0	$ 0	$ 14,906,130
Hook Ups	0	0	0	3,371,402
Delinquent Fees	0	0	0	111,137
Miscellaneous	0	0	0	530,374
Total Operating Revenues	3,898,329	0	0	18,919,043
Operating Expenses				
Salaries and Benefits	0	0	0	3,074,312
Contractor Services	0	0	0	225,356
Maintenance and Operations	3,881,161	7,012	7,012	6,882,929
Depreciation	0	0	0	5,181,492
Total Operating Expenses	3,881,161	7,012	7,012	15,364,089
Operating Income (Loss)	17,168	(7,012)	(7,012)	3,554,954
Nonoperating Revenues (Expenses)				
Grants	0	0	0	71,079
Interest Earned	0	0	0	2,200,508
Disposal of Assets	0	0	0	3,156
Total Nonoperating Revenues (Expenses)	0	0	0	2,274,743
Extraordinary Item				
Pollution Remediation	0	0	0	(113,750)
Change in Net Position	17,168	(7,012)	(7,012)	5,715,947
Net Position - Beginning	426,292	0	0	112,712,194
Net Position - Ending	$ 443,460	$ (7,012)	$ (7,012)	$ 118,428,141

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

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

	Business-type Activities - Enterprise Funds		
	Water	Sewer	Irrigation
Cash Flows From Operating Activities			
Receipts from Customers	$ 4,578,537	$ 7,801,529	$ 2,307,247
Other Receipts	201,035	274,681	54,658
Payments to Suppliers for Goods or Services	(1,162,514)	(1,665,232)	(734,639)
Payments to Employees for Services	(1,236,245)	(1,180,386)	(391,889)
Net Cash Provided (Used) by Operating Activities	2,380,813	5,230,592	1,235,377
Cash Flows From Noncapital Financing Activities			
Internal Loans	(7,012)	(7,012)	0
Cash Flows From Capital and Related Financing Activities			
Purchases and Construction of Capital Assets	(3,206,190)	(1,468,343)	(974,189)
Proceeds from Sale of Capital Assets	1,152	1,999	0
Capital Grants and Contributions	42,543	28,536	0
Net Cash Used by Capital and Related Financing Activities	(3,162,495)	(1,437,808)	(974,189)
Cash Flows From Investing Activities			
Interest	877,996	791,104	469,508
Net Change in Cash and Cash Equivalents	89,302	4,576,876	730,696
Cash and Cash Equivalents - Beginning	14,644,034	14,253,317	8,797,976
Cash and Cash Equivalents - Ending	$ 14,733,336	$ 18,830,193	$ 9,528,672
Displayed As:			
Cash and Cash Equivalents	$ 14,733,336	$ 18,830,193	$ 9,528,672

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

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

	Business-type Activities - Enterprise Funds			
	Trash	Water East	Sewer East	Total
Cash Flows From Operating Activities				
Receipts from Customers	$ 3,872,838	$ 0	$ 0	$ 18,560,151
Other Receipts	0	0	0	530,374
Payments to Suppliers for Goods or Services	(3,872,444)	(7,012)	(7,012)	(7,448,853)
Payments to Employees for Services	0	0	0	(2,808,520)
Net Cash Provided (Used) by Operating Activities	394	(7,012)	(7,012)	8,833,152
Cash Flows From Noncapital Financing Activities				
Internal Loans	0	7,012	7,012	0
Cash Flows From Capital and Related Financing Activities				
Purchases and Construction of Capital Assets	0	0	0	(5,648,722)
Proceeds from Sale of Capital Assets	0	0	0	3,151
Capital Contribution	0	0	0	71,079
Net Cash Used by Capital and Related Financing Activities	0	0	0	(5,574,492)
Cash Flows From Investing Activities				
Interest	0	0	0	2,138,608
Net Change in Cash and Cash Equivalents	394	0	0	5,397,268
Cash and Cash Equivalents - Beginning	128,120	0	0	37,823,447
Cash and Cash Equivalents - Ending	$ 128,514	$ 0	$ 0	$ 43,220,715
Displayed As:				
Cash and Cash Equivalents	$ 128,514	$ 0	$ 0	$ 43,220,715

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

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

	Business-type Activities - Enterprise Funds		
	Water	Sewer	Irrigation
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	$ 1,444,851	$ 1,356,709	$ 750,250
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:			
Depreciation	1,193,550	3,519,643	468,299
Pension Offset (Expense)	86,798	92,708	25,391
Changes in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	(24,695)	(40,574)	0
(Increase) Decrease in Prepaid Items	(11,379)	297	645
(Increase) Decrease in Notes Receivable	0	275	3,039
Increase (Decrease) in Accounts Payable	(384,063)	68,531	(23,316)
Increase (Decrease) in Due to KeyBank LID	0	189,174	0
Increase (Decrease) in Benefits and Wages Payable	13,451	43,829	3,615
Increase (Decrease) in Deposits from Others	62,300	0	0
Increase (Decrease) in Unearned Revenues	0	0	7,454
Net Cash Provided by Operating Activities	$ 2,380,813	$ 5,230,592	$ 1,235,377

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

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

	Business-type Activities - Enterprise Funds			
	Trash	Water East	Sewer East	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating Income (Loss)	$ 17,168	$ (7,012)	$ (7,012)	$ 3,554,954
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:				
Depreciation	0	0	0	5,181,492
Pension Offset (Expense)	0	0	0	204,897
Changes in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable	(25,491)	0	0	(90,760)
(Increase) Decrease in Prepaid Items	0	0	0	(10,437)
(Increase) Decrease in Notes Receivable	0	0	0	3,314
Increase (Decrease) in Accounts Payable	8,717	0	0	(330,131)
Increase (Decrease) in Due to KeyBank LID	0	0	0	189,174
Increase (Decrease) in Benefits and Wages Payable	0	0	0	60,895
Increase (Decrease) in Deposits from Others	0	0	0	62,300
Increase (Decrease) in Unearned Revenues	0	0	0	7,454
Net Cash Provided by Operating Activities	$ 394	$ (7,012)	$ (7,012)	$ 8,833,152

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

City of Kuna, Idaho
Statement of Fiduciary Net Position -
Fiduciary Funds
September 30, 2024

	Custodial Funds
Assets	
Cash and Cash Equivalents	$ 2,224,042
Deferred Outflows	0
Liabilities	
Due to Other Governments	379,050
Due to Developers	1,844,992
Total Liabilities	2,224,042
Deferred Inflows	0
Net Position	$ 0

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

City of Kuna, Idaho
Statement of Changes in Fiduciary
Net Position - Fiduciary Funds
For the Year Ended September 30, 2024

	Custodial Funds
Additions	
Impact Fee Collections for Other Governments	$ 4,051,440
Developer Deposit Collections	1,971,861
Total Additions	6,023,301
Deductions	
Payments of Impact Fees to Other Governments	4,051,440
Payments to Developers	1,971,861
Total Deductions	6,023,301
Change in Net Position	0
Net Position - Beginning	0
Net Position - Ending	$ 0

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The accompanying financial statements present the activities of City of Kuna, Idaho (the City), which has responsibility and control over all activities related to general operations, parks, public safety, planning and zoning, and utilities within the City. The City receives funding from local, state, and federal government sources and must comply with all of the requirements of these funding source entities. However, the City is not included in any other governmental reporting entity as defined by generally accepted accounting principles. City Council members are elected by the public and have decision-making authority, the power to designate management, the ability to significantly influence operations, and the primary accountability for fiscal matters.

In addition, the City's reporting entity contains a single discrete component – Kuna Urban Renewal Agency (the Agency). The Agency was formed as a separate and distinct legal entity under the Idaho Urban Renewal Law of 1965, as amended. The Commissioners for the Agency were appointed by the City Council. The Agency funds City infrastructure that supports redevelopment, development of bare undeveloped land, and brownfield development (industrial). The financial statements of the Agency can be obtained from the City Treasurer.

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

- Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function.
- Indirect expenses of the general government related to the administration and support of the City's programs, such as personnel and accounting (but not interest on long-term debt), are allocated to programs based on their percentage of total primary government expenses. Interest expenses are allocated to the programs that manage the capital assets financed with long-term debt.
- Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program or function. Revenues that are not classified as program revenues, including all taxes and state formula aid, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the City's funds, including fiduciary funds. Separate statements for each fund category - *governmental, proprietary, and fiduciary* - are presented. The emphasis of fund financial statements is on major governmental and

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

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.
- *Late Comers' Fee fund*. This fund accumulates monies received for new building permits to reimburse development agreements for oversizing the utility lines when installed in an initial development.
- *Park Impact Fee fund*. This fund accounts for the collection and use of park impact fees.
- *Police Impact Fee fund*. This fund accounts for the collection and use of police impact fees.

Proprietary fund operating revenues and expenses are related to providing water, sewer, irrigation, trash, and well mitigation services to the residents and businesses of the City and providing services to other parts of the City government. Revenue and expenses arising from capital and non-capital financing activities and from investing activities are presented as non-operating revenues or expenses.

The City has the following major enterprise funds:

- *Water fund.* This fund accounts for the activities of the City's water supply system, pumping stations, and collection systems.
- *Sewer fund.* This fund accounts for the operations and collections of the City's sewer system.
- *Irrigation fund.* This fund accounts for the operations and collections of the City's irrigation system.
- *Trash fund.* This fund accounts for the operations and collections of the City's trash services.
- *Water East fund.* This fund accounts for the activities of the City's water supply system, pumping stations, and collection systems in the East side of the City.
- *Sewer East fund.* This fund accounts for the operations and collections of the City's sewer system in the East side of the City.

Fiduciary funds consist of one custodial fund. This fund accounts for monies collected and held for others. The City is responsible for ensuring that all the assets reported in this fund are used for their intended purpose. The City's fiduciary balances are reported in the statement of fiduciary net position and the fiduciary activity is reported in the statement of changes in fiduciary net position.

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

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, intergovernmental revenues, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year in which the taxes are intended to finance. Revenue from intergovernmental revenues, grants, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The City considers revenues reported in the governmental funds to be available if they are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

incurred, except for principal and interest on general long-term debt, and claims and judgments, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term liabilities and acquisitions under capital leases are reported as other financing sources.

Fund Balance Reporting in Governmental Funds

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

- *Nonspendable.* Prepaid items that are permanently precluded from conversion to cash.
- *Restricted.* Balances constrained to a specific purpose by enabling legislation, external parties, or constitutional provisions.
- *Assigned*. Limitations imposed on balances through intentions of the City Council or a body or official designated by the City Council.
- *Unassigned.* Balances available for any purpose or those funds with a deficit fund balance, such as the Police Impact Fee fund. This fund had a deficit fund balance of $1,315,211 at year-end.

The remaining fund balance classification (committed) was not in use. However, if there had been committed funds, these amounts would have been decided by the City Council, the City's highest level of decision-making authority, through a formal action (resolution or ordinance). The City Council has authorized the City Treasurer to assign funds. As of September 30, 2024, $200,000 has been assigned for capital improvement projects.

Under the terms of grant agreements, the City funds certain programs by a combination of grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted resources available to finance the program. When both restricted and unrestricted resources are available for use, it is the City's intent to use restricted resources first, then unrestricted resources as they are needed.

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

Details of restricted funds are as follows:

Fund	Purpose	
Park and Police Impact Fees Funds	Fees that are collected at the time a new building permit is issued and restricted by Idaho Code 67-8210 for the development of parks and police facilities as the City continues to grow. Cash is required to be maintained in interest bearing accounts in capital project funds.	$2,567,094
Grant Fund	Opiod settlement funds are required to be spent on high-impact public health programs.	37,331
Late Comers' Fee Fund	Development agreements between the City and developers dictate that certain future monies received by the City are to be reimbursed to the developers following receipt.	5,942,443
		$8,546,868

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash Equivalents

The City requires all cash belonging to the City to be placed in custody of the Treasurer. A "Pooled Cash" concept is used in maintaining the cash and investment accounts in the accounting records for most of the City's accounts, while other accounts are not pooled. Under this pooled cash method, cash is pooled for investment purposes and each fund has equity in the pooled amount. All amounts included in the cash and investment accounts are considered to be cash and cash equivalents, as even the long-term investments can be converted to cash without significant penalty within a one to two week timeframe. See Note 2.

Idaho Code authorizes the City to invest any available funds in obligations issued or guaranteed by the United States Treasury, the State of Idaho, local Idaho municipalities and taxing districts, the Farm Credit System, or Idaho public corporations, as well as time deposit accounts and repurchase agreements. Investments are stated at fair value as determined by the fair value hierarchy, except non-participating contracts, money market investments, and participating interest-earning contracts with a remaining maturity of one year or less. These are carried at amortized cost.

Receivables

All receivables are shown net of an allowance for uncollectible amounts. The City has estimated $247 of its account receivables are doubtful.

Property Taxes

The City receives tax revenue from Ada County. The County is responsible for property valuation and collection of tax levies. The taxes that have not been remitted to the City as at September 30, 2024, are considered by the City as a receivable. Taxes not collected within 60 days after September 30, 2024, are not considered available for use by the City and are recorded as deferred inflows in the fund financial statements. The levy for the current year is intended to finance operations in the next year, so the current levy is also a deferred inflow in the government-wide financial statements.

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

Capital Assets

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

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

	Capitalization Policy	Depreciation Method	Estimated Useful Life
Land	$0	N/A	N/A
Buildings, Improvements, Infrastructure	$10,000	Straight-Line	5 - 75 Years
Equipment and Vehicles	$10,000	Straight-Line	5 - 20 Years
Intangibles	$10,000	Straight-Line	3 - 20 Years

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

General infrastructure assets acquired prior to October 1, 2003, are not reported in the basic financial statements. General infrastructure assets include all roads and bridges and other infrastructure assets acquired subsequent to October 1, 2003. However, the City does not report infrastructure such as roads and streets. These assets are owned and maintained by Ada County Highway District. The City has no control over this entity.

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

Compensated Absences

The City uses the vesting method to compute compensated absences for vacation time.

Estimates

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

Pensions

For purposes of measuring the net pension liability (asset), related deferrals, and pension expense (offset), 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.

2. CASH AND INVESTMENTS

Deposits

As of September 30, 2024, the carrying amount of the City's deposits was $23,353,371 (of which $202,671 has been allocated to the Kuna Urban Renewal Agency) and the respective bank balances totaled $23,604,806. $22,190,454 of the bank balances were insured by the FDIC/NCUA or collateralized through a Letter of Credit with the Federal Home Loan Bank of Des Moines. Included within deposits is $21,750,352 held at Idaho Central Credit Union in certificates of deposits, with interest rates ranging from 4.47% to 4.69%.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned. As of September 30, 2024, $1,414,352 of the City's deposits were not covered by the federal depository insurance or by collateral held by the City's agent or pledging financial institution's trust department or agent in the name of the City and thus were exposed to custodial credit risk.

2. CASH AND INVESTMENTS (continued)

The City does not have a formal policy limiting its exposure to custodial credit risk. However, the City uses the following procedures to mitigate the bank default risk of loss associated with the City's demand deposits which exceed the FDIC/NCUA insurance coverage limit of $250,000 per financial institution:

- Partner with large federally chartered banks with solid histories and strong credit worthiness ratings;
- Subscribe to and monitor online rating agency reports regularly as provided by the "Big Three" rating agencies (Standard & Poor's, Moody's, Fitch Group);
- Monitor online FDIC/NCUA information regarding financial institutions which have been on watch lists and/or which have failed recent stress tests;
- Monitor bank-specific online rating agency reports (Bauer Financial, Inc.; IDC Financial Publishing, Inc.; Veribanc) for bank rating information. The aforementioned entities offer very specific in-depth information for a fee and also offer free high-level data.

Custodial Risk – Investments

Custodial credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. It is the City's policy to prioritize safety of the funds, then probable income to be derived from an investment, and then liquidity of an investment. Investments must meet the following criteria:

- Non-state and non-municipal short-term investments shall have a minimum rating of Prime-1 (P-1) or equivalent.
- Non-state and non-municipal long-term investments shall have a minimum rating of "A" or higher or equivalent by two nationally recognized statistical rating organizations of the Securities and Exchange Commission (SEC).
- State and municipal entity short-term investments shall have a minimum rating of P-1, MIG 1, or VMIG 1, or equivalent.
- State and municipal entity long-term investments shall have a minimum rating of "A."
- Investments in State of Idaho run funds, e.g. the Local Government Investment Pool (LGIP), or the State of Idaho requires no credit rating.
- Investments in the U.S. government or federal agency securities or securities guaranteed by either the U.S. government or a federal agency (excluding government sponsored enterprises) require no credit rating.

Interest Rate Risk

The City does not have a formal policy limiting investment maturities that would help manage its exposure to fair value losses from increasing interest rates.

Investments

The City holds funds with Time Value Investments, which are measured at amortized cost or fair value depending on the nature and maturities of these investments. The City also holds funds with the Idaho State Treasurer in the Local Government Investment Pool (the pool). The pool is not rated and is not registered with the Securities and Exchange Commission or any other regulatory body. The pool is valued using the Net Asset Value (NAV) per share method. Investments using the NAV per share method do not have readily obtainable fair values and are, instead, valued based on the City's pro-rata share of the pool's net position. The City values these investments based on information provided by the State of Idaho Treasurer's Office. The State Treasurer does not provide any legally binding guarantees to support

2. CASH AND INVESTMENTS (continued)

the value of the shares to participants. Participants have overnight availability to their funds up to $10 million. Withdrawals of more than $10 million require three business days' notification.

As of September 30, 2024, the City's investments had the following maturities and are identified in the following fair value hierarchy (valued on a recurring basis):

		Fair Value Hierarchy	Maturity in Years	
Investment	Rating	Level 2	Less Than 1	1-5
US Treasury Bonds	Aaa	$27,150,146	$ 10,047,364	$ 17,102,782
Money Market Mutual Funds	Aaa	8,448	8,448	0
External Investment Pool	Not Rated	N/A	24,610,525	0
		$27,158,594	$ 34,666,337	$ 17,102,782

Investments under Level 2 are those that are valued using a market approach, which is based on quoted prices for similar assets and liabilities in active markets, inactive markets, or models with observable inputs.

At year-end, the cash and investments were reported in the basic financial statements in the following categories, including $1,000 in cash kept on hand:

	Governmental Activities	Business-type Activities	Total	Fiduciary Funds
Cash and cash equivalents/restricted cash	$ 9,014,995	$ 14,139,892	$ 23,154,887	$ 94,988
Investments categorized as cash equivalents	20,559,242	29,080,823	49,640,065	2,129,054
	$ 29,574,237	$ 43,220,715	$ 72,794,952	$ 2,224,042

3. COMPENSATED ABSENCES

Vacation leave is granted to all regular City employees after the first month of employment. In the event of termination, an employee is reimbursed for accumulated vacation leave. A summary of the current year's activity and year-end liability is as follows:

	Beginning	Earned	Used	Ending	Current
Governmental Activities	$ 176,273	$ 181,939	$ 184,386	$ 173,826	$ 173,826
Business-type Activities	192,866	244,827	230,671	207,022	207,022
	$ 369,139	$ 426,766	$ 415,057	$ 380,848	$ 380,848

4. RISK MANAGEMENT

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

5. DUE FROM OTHER GOVERNMENTAL UNITS OR AGENCIES

Amounts due from other governmental units consist of amounts due from Ada County for agricultural equipment replacement tax of $56, from the State of Idaho for liquor apportionment of $63,954, state revenue sharing of $811,983, and grant reimbursements of $24,763.

6. TRANSFERS AND INTERFUND BALANCES

Transfer activity for the year was as follows:

$ 351,014	Transfer from the General fund to the Capital Outlay fund to cover costs of capital projects.
4,000	Transfer from the General fund to the Grant fund to move revenue from a prior year back to the fund it was originally received in.
2,175	Transfer from the Capital Outlay fund to the General fund for the close out of a prior year project.
$ 357,189	

Amounts due between the funds of the City were as follows:

$ 7,012	Due from the Water East fund to the Water fund to cover fund start-up costs, to be repaid as the City collects utility fees.
7,012	Due from the Sewer East fund to the Sewer fund to cover fund start-up costs, to be repaid as the City collects utility fees.
1,452,374	Due from the Police Impact Fee fund to the General fund to cover the cost of the police station construction, to be repaid as the City collects impact fees.
$ 1,466,398	

7. RELATED PARTY TRANSACTIONS

As a discretely presented component unit of the City, the capital assets constructed from Kuna Urban Renewal Agency's (URA) activities are contributed to the City. In the current year, there were no capital assets constructed or contributed to the City. The City did charge the URA $794 for the use of its personnel and facilities. There were no balances due to or from the City as of September 30, 2024.

8. 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 or System) that covers substantially all employees of the State of Idaho, its agencies and various participating political subdivisions. The cost to administer the plan is financed through the contributions and investment earnings of the plan. PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at www.persi.idaho.gov.

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

8. PENSION PLAN (continued)

Pension Benefits

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

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

Member and Employer Contributions

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

The contribution rates for employees are set by statute at 60% of the employer rate for general employees and 72% for police and firefighters. As of June 30, 2024, it was 6.71% for general employees and 9.18% for police and firefighters. The employer contribution rate as a percentage of covered payroll is set by the Retirement Board and was 11.18% for general employees and 13.26% for police and firefighters. Effective July 1, 2024, the employee rates changed to 7.18% for general employees and 10.83% for police and firefighters and the employer rates changed to 11.96% for general employees and 14.65% for police and firefighters. The City's employer contributions were $444,605 for the year ended September 30, 2024.

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

As of September 30, 2024, the City reported a liability for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability (asset) 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. As of June 30, 2024, the City's proportion was .0780917%.

For the year ended September 30, 2024, the City recognized pension expense of $839,215. At September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

8. PENSION PLAN (continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 465,071	$ 0
Changes in assumptions or other inputs	115,720	0
Net difference between projected and actual earnings on pension plan investments	0	53,023
Changes in the City's proportion and differences between the City's contributions and the City's proportionate contributions	27,894	64,495
City contributions subsequent to the measurement date	110,804	0
Total	$ 719,489	$ 117,518

$110,804 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability (increase to an asset) in the year ending September 30, 2025.

The average of the expected remaining service lives of all employees that are provided with pensions through the System (active and inactive employees) determined at July 1, 2023, the beginning of the measurement period ended June 30, 2024, is 4.4 years, as well as for the measurement period ended June 30, 2023.

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

Year Ended September 30,	
2025	$ 130,356
2026	$ 533,790
2027	$ (104,391)
2028	$ (68,588)

Actuarial Assumptions

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

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

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

8. PENSION PLAN (continued)

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

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

An experience study was performed for the period 2015 through 2020, which reviewed all economic assumptions. Demographic assumptions, including mortality, were studied for the period 2015 through 2020.

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

Even though history provides a valuable perspective for setting the investment return assumption, the System relies primarily on an approach which builds upon the latest capital market assumptions. The assumptions and the System's formal policy for asset allocation are shown below. The formal asset allocation policy is somewhat more conservative than the current allocation of PERSI's assets. The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns (arithmetic) and reflecting expected volatility and correlation. Capital market assumptions are as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	0.00%	0.00%
Large Cap	18.00%	4.50%
Small/Mid Cap	11.00%	4.70%
International Equity	15.00%	4.50%
Emerging Markets Equity	10.00%	4.90%
Domestic Fixed	20.00%	-0.25%
TIPS	10.00%	-0.30%
Real Estate	8.00%	3.75%
Private Equity	8.00%	6.00%

Discount Rate

The discount rate used to measure the total pension liability was 6.35%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the

8. PENSION PLAN (continued)

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

Sensitivity of the City's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the City's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.35%, as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1% lower (5.35%) or 1% higher (7.35%) 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)	$ 5,551,063	$ 2,921,135	$ 773,151

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.

9. POLLUTION REMEDIATION OBLIGATION

In the current year, the City was deemed obligated for fines imposed by the Idaho Department of Environmental Quality stemming from emission violations at the wastewater treatment plant under the Clean Water Act and are estimated to be $113,750. The estimated liability was determined based on discussions with the Idaho Department of Environmental Quality and the percentage of imposed fines that another City with similar violations were required to pay. The estimated liability has the potential to change due to factors such as price increases or decreases, changes in technology, or changes in applicable laws or regulations. The possible loss to the City could be as high as $1,137,500.

10. LONG-TERM OBLIGATIONS

The City has two long-term leases for copiers that meet the criteria to be treated as right-of-use assets. Both leases are for 60 months for a total of $434 per month. The City also pays for overages on copies and after-hours service. These additional expenditures are treated as ordinary operating costs. It is expected the copiers will be returned at the end of the lease term.

The City has one long-term subscription technology arrangement for fleet software with a term of 36 months with payments of $13,409 due annually. Variable payments not included in the calculation of the measurement of the subscription liability can include wire transfer fees, depending on how the ACH is initiated. There were no variable payments in the current year.

The City also issues debt via direct placement to reimburse developers for infrastructure transferred for public usage in accordance with the reimbursement agreements for projects within the City. All notes with

10. LONG-TERM OBLIGATIONS (continued)

developers have either a five-year repayment term at 5% simple interest or a ten-year repayment term at 4% simple interest, with payments due annually.

Changes in long-term obligations for the year ended September 30, 2024, are as follows:

Description	Maturity	Rate	10/1/2023	Increase	Decrease	09/30/2024	Current
Governmental Activities:							
Leases - Copiers	2028	3.09%	$ 20,715	$ 0	$ (4,633)	$ 16,082	$ 4,778
Subscriptions	2026	5.35%	0	24,809	0	24,809	12,081
Developer Notes	2033	4.00%	6,327,993	0	(2,384,278)	3,943,715	866,453
			$6,348,708	$ 24,809	$(2,388,911)	$ 3,984,606	$ 883,312

Future minimum repayments for long-term obligations are as follows:

Year Ending	Governmental Activities					
	Bonds and Notes		Leases		Subscriptions	
September 30,	Principal	Interest	Principal	Interest	Principal	Interest
2025	$ 866,453	$ 157,749	$ 4,778	$ 429	$ 12,081	$ 1,328
2026	619,059	136,394	4,927	280	12,728	681
2027	311,232	98,328	5,082	125	0	0
2028	323,681	85,879	1,295	7	0	0
2029	336,629	72,932	0	0	0	0
2030-2033	1,486,661	151,580	0	0	0	0
	$ 3,943,715	$ 702,862	$ 16,082	$ 841	$ 24,809	$ 2,009

11. OTHER COMMITMENTS

The City has four credit cards with credit limits totaling $30,000. Total available credit on the cards as of September 30, 2024, was $21,919.

12. CHANGE IN REPORTING ENTITY

The City added two new funds this year – Water East and Sewer East – to segregate and account for utility operations in the eastern boundaries of the City. The City is also now reporting the Police Impact Fee fund as a major fund rather than a nonmajor fund as required by GASBS No. 34 where a fund meets the quantitative criteria to now be considered a major fund. The Grant fund is also now being reported as a nonmajor fund, as it no longer meets the criteria to be reported as a major fund.

13. CAPITAL ASSETS

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

Governmental Activities:	10/1/2023	Reclass-ifications	Additions	Disposals	09/30/2024
Capital Assets Not Being Depreciated:					
Land	$ 4,266,960	$ 0	$ 0	$ 0	$ 4,266,960
Construction in Progress	3,422,625	(3,155,273)	1,022,169	(92,038)	1,197,483
Total Nondepreciable Assets	7,689,585	(3,155,273)	1,022,169	(92,038)	5,464,443
Capital Assets Being Depreciated:					
Buildings	2,884,847	2,021,404	230,799	0	5,137,050
Equipment/Vehicles	2,182,333	71,095	175,541	(90,449)	2,338,520
Improvements/Infrastructure	7,764,446	795,940	406,678	(38,335)	8,928,729
Intangibles	222,442	266,834	108,037	0	597,313
Right-of-Use Assets					
Subscriptions	0	0	38,278	0	38,278
Equipment	24,097	0	0	0	24,097
Total Depreciable Assets	13,078,165	3,155,273	959,333	(128,784)	17,063,987
Less: Accumulated Depreciation					
Buildings	607,336	0	148,891	0	756,227
Equipment/Vehicles	1,355,443	0	228,483	(90,449)	1,493,477
Improvements/Infrastructure	1,142,718	0	334,250	(38,335)	1,438,633
Intangibles	179,888	0	74,550	0	254,438
Right-of-Use Assets					
Subscriptions	0	0	12,341	0	12,341
Equipment	3,605	0	4,819	0	8,424
Total Accumulated Depreciation	3,288,990	0	803,334	(128,784)	3,963,540
Net Depreciable Assets	9,789,175	3,155,273	155,999	0	13,100,447
Capital Assets - Net	$17,478,760	$ 0	$1,178,168	$ (92,038)	$18,564,890

Disposals of capital assets in the governmental activities include a contribution of street signaling equipment to ACHD. Depreciation and amortization expense for governmental activities was charged to the functions of the City as follows:

General Government	$ 803,334

13. CAPITAL ASSETS (continued)

Business-type Activities:	10/1/2023	Reclass-ifications	Additions	Disposals	09/30/2024
Capital Assets Not Being Depreciated:					
Land	$ 2,207,531	$ 0	$ 0	$ 0	$ 2,207,531
Construction in Progress	1,788,196	(1,547,505)	122,556	0	363,247
Total Nondepreciable Assets	3,995,727	(1,547,505)	122,556	0	2,570,778
Capital Assets Being Depreciated:					
Buildings	43,978,003	0	0	0	43,978,003
Equipment/Vehicles	6,263,147	43,346	1,003,183	(805,126)	6,504,550
Improvements/Infrastructure	65,273,414	1,137,436	4,407,946	(235,425)	70,583,371
Intangibles	144,249	366,723	115,037	0	626,009
Total Depreciable Assets	115,658,813	1,547,505	5,526,166	(1,040,551)	121,691,933
Less: Accumulated Depreciation					
Buildings	17,766,042	0	1,451,519	0	19,217,561
Equipment/Vehicles	3,351,953	0	649,537	(805,126)	3,196,364
Improvements/Infrastructure	21,840,038	0	3,022,275	(235,425)	24,626,888
Intangibles	134,634	0	58,161	0	192,795
Total Accumulated Depreciation	43,092,667	0	5,181,492	(1,040,551)	47,233,608
Net Depreciable Assets	72,566,146	1,547,505	344,674	0	74,458,325
Capital Assets - Net	$76,561,873	$ 0	$ 467,230	$ 0	$77,029,103

REQUIRED SUPPLEMENTARY INFORMATION

City of Kuna, Idaho
Schedule of Employer's Share of Net Pension Liability (Asset)
PERSI - Base Plan
Last 10 - Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Employer's portion of the net pension liability (asset)	0.078092%	0.078521%	0.082085%	0.076456%	0.080672%	0.073408%	0.067245%	0.065338%	0.058449%	0.053872%
Employer's proportionate share of the net pension liability (asset)	$ 2,921,134	$ 3,133,561	$ 3,233,211	$ (60,319)	$ 1,859,330	$ 837,930	$ 991,941	$ 1,027,058	$ 1,184,916	$ 709,410
Employer's covered payroll	$ 3,818,100	$ 3,361,511	$ 3,236,995	$ 2,853,583	$ 2,861,965	$ 2,491,955	$ 2,163,259	$ 2,029,073	$ 1,708,869	$ 1,508,950
Employer's proportional share of the net pension liability (asset) as a percentage of its covered payroll	76.51%	93.22%	99.88%	-2.11%	64.97%	33.63%	45.85%	50.62%	69.34%	47.01%
Plan fiduciary net position as a percentage of the total pension liability (asset)	85.54%	83.83%	83.09%	100.36%	88.22%	93.79%	91.69%	90.68%	87.26%	91.38%

Data reported is measured as of June 30th.

City of Kuna, Idaho
Schedule of Employer Contributions
PERSI - Base Plan
Last 10 - Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	$ 444,605	$ 408,462	$ 379,748	$ 343,366	$ 342,690	$ 300,675	$ 254,964	$ 225,160	$ 217,319	$ 173,753
Contributions in relation to the statutorily required contribution	(444,605)	(408,462)	(379,748)	(343,366)	(342,690)	(300,675)	(254,964)	(225,160)	(217,319)	(173,753)
Contribution (deficiency) excess	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Employer's covered payroll	$ 3,921,714	$ 3,465,610	$ 3,180,472	$ 2,875,762	$ 2,870,103	$ 2,626,070	$ 2,252,065	$ 1,988,773	$ 1,919,620	$ 1,534,916
Contributions as a percentage of covered payroll	11.34%	11.79%	11.94%	11.94%	11.94%	11.45%	11.32%	11.32%	11.32%	11.32%

Data is reported as of September 30th.

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

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues				
Property Taxes	$ 4,468,842	$ 4,468,842	$ 4,596,042	$ 127,200
Charges for Services	1,970,269	1,970,269	4,297,324	2,327,055
Intergovernmental	3,216,039	3,216,039	3,128,318	(87,721)
Interest	646,024	646,024	955,187	309,163
Other	88,501	88,501	285,783	197,282
Total Revenues	10,389,675	10,389,675	13,262,654	2,872,979
Expenditures				
Current:				
Salaries and Benefits	2,930,780	2,930,780	2,642,874	287,906
Maintenance and Operations	6,070,617	6,070,617	6,655,522	(584,905)
Capital Outlay	18,134,828	18,134,828	228,883	17,905,945
Debt Service:				
Principal	0	0	4,633	(4,633)
Interest	0	0	1,284	(1,284)
Total Expenditures	27,136,225	27,136,225	9,533,196	17,603,029
Excess (Deficiency) of Revenues Over Expenditures	(16,746,550)	(16,746,550)	3,729,458	20,476,008
Other Financing Sources (Uses)				
Disposal of Assets	0	0	4,667	4,667
Debt Issuance	0	0	24,809	24,809
Transfers In	116,774	116,774	2,175	(114,599)
Transfers Out	(1,370,224)	(1,370,224)	(355,014)	1,015,210
Total Other Financing Sources (Uses)	(1,253,450)	(1,253,450)	(323,363)	930,087
Net Change in Fund Balances	(18,000,000)	(18,000,000)	3,406,095	21,406,095
Fund Balances - Beginning	18,000,000	18,000,000	19,517,935	1,517,935
Fund Balances - Ending	$ 0	$ 0	$ 22,924,030	$ 22,924,030

City of Kuna, Idaho
Budgetary (GAAP Basis) Comparison Schedule
Late Comers' Fee Fund
For the Year Ended September 30, 2024

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues				
Charges for Services	$ 1,143,479	$ 1,143,479	$ 4,851,236	$ 3,707,757
Interest	140,000	140,000	216,353	76,353
Total Revenues	1,283,479	1,283,479	5,067,589	3,784,110
Expenditures				
Current:				
Community and Economic Development	4,100,200	4,100,200	445,688	3,654,512
Debt Service:				
Principal	0	0	2,384,278	(2,384,278)
Interest	0	0	253,120	(253,120)
Contingency	683,279	683,279	0	683,279
Total Expenditures	4,783,479	4,783,479	3,083,086	1,700,393
Net Change in Fund Balances	(3,500,000)	(3,500,000)	1,984,503	5,484,503
Fund Balances - Beginning	3,500,000	3,500,000	3,957,940	457,940
Fund Balances - Ending	$ 0	$ 0	$ 5,942,443	$ 5,942,443

1. BUDGETS AND BUDGETARY ACCOUNTING

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

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

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

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

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

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

F. The budget is adopted on a basis consistent with generally accepted accounting principles.

G. Expenditures may not legally exceed budgeted appropriations at the fund level. The City does not use the encumbrance method of accounting.

SUPPLEMENTARY INFORMATION

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

	Capital Projects		
	Grant	Capital Outlay	Total
Assets			
Cash and Cash Equivalents	$ 12,568	$ 209,478	$ 222,046
Receivables, Net:			
Intergovernmental and Grants	24,763	0	24,763
Total Assets	37,331	209,478	246,809
Deferred Outflows	0	0	0
Total Assets and Deferred Outflows	$ 37,331	$ 209,478	$ 246,809
Liabilities			
Accounts Payable	$ 0	$ 9,478	$ 9,478
Deferred Inflows	0	0	0
Fund Balances			
Restricted	37,331	0	37,331
Assigned	0	200,000	200,000
Total Fund Balances	37,331	200,000	237,331
Total Liabilities, Deferred Inflows, and Fund Balances	$ 37,331	$ 209,478	$ 246,809

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

	Grant	Capital Projects Capital Outlay	Total
Revenues			
Grants and Contributions	$ 155,988	$ 0	$ 155,988
Expenditures			
Current:			
Maintenance and Operations	110,960	0	110,960
Capital Outlay	293,805	351,014	644,819
Total Expenditures	404,765	351,014	755,779
Excess (Deficiency) of Revenues Over Expenditures	(248,777)	(351,014)	(599,791)
Other Financing Sources (Uses)			
Transfers In	4,000	351,014	355,014
Transfers Out	0	(2,175)	(2,175)
Total Other Financing Sources (Uses)	4,000	348,839	352,839
Net Change in Fund Balances	(244,777)	(2,175)	(246,952)
Fund Balances - Beginning	282,108	202,175	484,283
Fund Balances - Ending	$ 37,331	$ 200,000	$ 237,331

OTHER INFORMATION

City of Kuna, Idaho
Supplemental Schedule of Revenues by Source -
Budget (GAAP Basis) and Actual - General Fund
For the Year Ended September 30, 2024

	Budget	Actual	Variance
Property Taxes			
Taxes	$ 4,465,842	$ 4,589,960	$ 124,118
Interest and Penalties	3,000	6,082	3,082
	4,468,842	4,596,042	127,200
Licenses and Permits			
Business Licenses	2,500	3,994	1,494
Liquor Licenses	5,000	7,769	2,769
Beer Licenses	2,500	2,770	270
Wine Licenses	2,000	2,705	705
Dog Licenses	6,000	7,720	1,720
Catering Permits	500	1,174	674
Vendor Permits	950	2,702	1,752
	19,450	28,834	9,384
Intergovernmental			
State Liquor Apportionment	315,000	307,315	(7,685)
Sales Tax Revenue Sharing - County	225	225	0
Sales Tax Revenue Sharing - State	2,900,814	2,820,778	(80,036)
	3,216,039	3,128,318	(87,721)
Other			
Administration Fees	263,909	422,824	158,915
Franchise Fees	540,415	583,595	43,180
Rental Charges	12,000	37,910	25,910
Fine Distribution	48,000	62,823	14,823
Interest	646,024	955,187	309,163
Miscellaneous	40,501	222,960	182,459
Planning and Zoning	1,084,995	3,190,521	2,105,526
RV Dump	4,500	4,996	496
Event Fees	45,000	28,644	(16,356)
	2,685,344	5,509,460	2,824,116
Other Financing Sources			
Disposal of Assets	0	4,667	4,667
Debt Issuance	0	24,809	24,809
	0	29,476	29,476
Total Revenue	$ 10,389,675	$ 13,292,130	$ 2,902,455

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

	Budget	Actual	Variance
Salaries and Benefits			
FICA	$ 130,451	$ 106,901	$ 23,550
Group Life Insurance	1,254	618	636
Group Medical Insurance	358,274	351,292	6,982
Mayor and City Council Salaries	117,122	115,081	2,041
Medicare	30,509	25,011	5,498
Pension	249,498	201,024	48,474
Seasonal Salaries	144,792	1,910	142,882
Staff Salaries	1,842,138	1,832,122	10,016
Unemployment	23,500	2,245	21,255
Workman's Compensation	33,242	6,670	26,572
	2,930,780	2,642,874	287,906
Maintenance and Operations			
Ada County Sheriff	3,792,887	3,702,212	90,675
Animal Control	153,636	153,636	0
Bank Fees	67,000	60,149	6,851
Cleaning Offices	23,500	13,720	9,780
Code Enforcement	3,000	0	3,000
Contract Services	367,392	1,344,321	(976,929)
Donations Expenditure	30,000	15,265	14,735
Dues and Memberships	97,668	83,470	14,198
Elections	1,500	0	1,500
Legal Publications	30,000	16,604	13,396
Liability Insurance	18,724	18,724	0
Maintenance and Repair	418,750	378,463	40,287
Meetings	26,050	7,475	18,575
Miscellaneous	159,260	184,212	(24,952)
Supplies	93,600	56,031	37,569
Postage and Billing	34,500	32,816	1,684
Professional Services	240,500	196,609	43,891
Rent - City Hall	3,500	1,782	1,718
Rent - Equipment	118,500	119,068	(568)
Telephone	35,900	32,695	3,205
Training	37,100	19,381	17,719
Travel and Membership Dues	12,700	9,323	3,377
Uniforms	9,450	8,942	508
Utilities	202,000	144,561	57,439
Vehicle Expenditure	93,500	56,063	37,437
	6,070,617	6,655,522	(584,905)
Capital Outlay	18,134,828	228,883	17,905,945
Debt Service			
Principal	0	4,633	(4,633)
Interest	0	1,284	(1,284)
	0	5,917	(5,917)
Total Expenditures	$ 27,136,225	$ 9,533,196	$ 17,603,029

INTERNAL CONTROL AND COMPLIANCE REPORT

Bailey & Company Chtd.
Certified Public Accountants

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

To the Honorable Mayor
and City Council
City of Kuna, 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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Kuna, Idaho (the City), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated February 24, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Bailey & Co.

Nampa, Idaho
February 24, 2025