CITY OF SALMON - STATE OF IDAHO
SALMON, IDAHO
ANNUAL FINANCIAL REPORT
and
COMPLIANCE REPORTS
with
INDEPENDENT AUDITOR'S REPORT
For the Year Ended September 30, 2024

CITY OF SALMON - STATE OF IDAHO
FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

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CITY OF SALMON - STATE OF IDAHO
FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

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Searle Hart & Associates, PLLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of Salmon - State of Idaho
Salmon, 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, and the aggregate remaining fund balances of the City of Salmon, Idaho, as of and for the year ended September 30, 2024 and the related notes to the financial statements, which collectively comprise the City's basic financial statements 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 Salmon, Idaho, as of September 30, 2024, and the respective changes in financial position and cash flows, where applicable, for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of City of Salmon, 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.

Management's Responsibility for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Salmon'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 Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for

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

In performing an audit in accordance with GAAS, 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 City of Salmon'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about City of Salmon'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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require supplementary information, such as management's discussion and analysis, budgetary comparison information, the schedule of employer's share of net pension liability and the schedule of employer contributions, as stated in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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 response 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.

Management 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. Our opinion on the basic financial statements is not affected by this missing information.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Salmon's basic financial statements. The combining and individual nonmajor funds and the Schedule of Expenditures of Federal Awards, as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, (Uniform guidance), are presented for purposes of additional analysis and are not a required part of the basis 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 and individual nonmajor funds and the 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 February 19, 2025, on our consideration of City of Salmon, 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Searle Hart + Associates PLLC

Idaho Falls, Idaho
February 19, 2025

FINANCIAL SECTION

CITY OF SALMON - STATE OF IDAHO
STATEMENT OF NET POSITION
September 30, 2024

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	$ 2,558,917	$ 2,574,539	$ 5,133,456
Taxes receivable	40,689	-	40,689
Receivables	9,970	222,777	232,747
Internal balances	-	-	-
Due from other governmental agencies	275,716	774,648	1,050,364
Inventories	7,531	-	7,531
Prepaid expenses	16,127	8,754	24,881
Restricted cash and investments	4,425	746,040	750,465
Capital Assets			
Land and capital assets not being depreciated	1,421,326	101,330	1,522,656
Construction in progress	-	2,211,051	2,211,051
Infrastructure	956,669	9,369,147	10,325,816
Buildings	6,635,907	12,591,385	19,227,292
Equipment and furniture	2,680,950	1,272,665	3,953,615
Right-to-use leased equipment	226,854	-	226,854
Less: accumulated depreciation/amortization	(6,297,616)	(14,889,395)	(21,187,011)
Total Capital Assets	5,624,090	10,656,183	16,280,273
TOTAL ASSETS	8,537,465	14,982,941	23,520,406
DEFERRED OUTFLOWS			
Other deferred outflows	-	-	-
Pension related	147,933	62,388	210,321
TOTAL DEFERRED OUTFLOWS	$ 147,933	$ 62,388	$ 210,321

The notes to the financial statements are an integral part of this statement.

	Primary Government		
	Governmental Activities	Business-type Activities	Total
LIABILITIES			
Accounts payable and accrued expenses	$ 185,525	$ 144,204	$ 329,729
Due to other governmental agencies	-	-	-
Due to other funds	-	-	-
Long-term liabilities			
Due within one year			
Bonds, capital leases and contracts, net of unamortized bond costs	34,607	1,935,499	1,970,106
Accrued interest	2,804	36,156	38,960
Compensated absences	40,067	20,385	60,452
Claims and judgments	-	-	-
Due in more than one year			
Bonds, capital leases and contracts, net of unamortized bond costs	108,349	3,669,772	3,778,121
Accrued interest	-	-	-
Compensated absences	26,382	15,267	41,649
Net pension liability (asset)	774,885	363,680	1,138,565
TOTAL LIABILITIES	1,172,619	6,184,963	7,357,582
DEFERRED INFLOWS			
Pension related	-	-	-
Other deferred inflows	-	-	-
TOTAL DEFERRED INFLOWS	-	-	-
NET POSITION			
Net investment in capital assets	5,621,286	5,014,756	10,636,042
Restricted for:			
Nonspendable Inventory	7,531	-	7,531
Capital projects	-	428,430	428,430
Debt service	-	317,610	317,610
Other projects	4,425	-	4,425
Unrestricted	1,879,537	3,099,570	4,979,107
TOTAL NET POSITION	$ 7,512,779	$ 8,860,366	$ 16,373,145

CITY OF SALMON - STATE OF IDAHO
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2024

FUNCTIONS/PROGRAMS	Expenses	Program Revenue: Charges for Services	Program Revenue: Operating Grants and Contributions	Program Revenue: Capital Grants and Contributions
Primary government				
Governmental activities:				
General government	$ 549,631	$ 18,330	$ 13,000	$ -
Public safety	1,001,397	180	211,721	-
Public works	557,517	-	337,245	100,000
Health, welfare and sanitation	-	-	-	-
Culture and recreation	352,273	37,464	24,976	-
Economic development	30,229	2,650	-	-
Cemetery	109,026	37,148	-	-
Sacajawea Center	203,349	21,971	13,782	-
Interest on long-term debt	3,157	-	-	-
TOTAL GOVERNMENTAL ACTIVITIES	$ 2,806,579	$ 117,743	$ 600,724	$ 100,000
Business-type activities:				
Water	$ 1,159,095	$ 1,287,068	$ 581,048	$ 94,140
Sewer	822,178	846,002	-	-
Interest on long-term debt	178,105	-	-	-
TOTAL BUSINESS-TYPE ACTIVITIES	2,159,378	2,133,070	581,048	94,140
TOTAL PRIMARY GOVERNMENT	$ 4,965,957	$ 2,250,813	$ 1,181,772	$ 194,140
General revenues:				
Taxes:				
Property taxes, levied for general purposes				
Assessments for debt service				
Franchise taxes				
Public service taxes				
Grants and contributions not restricted to specific programs				
Unrestricted investment earnings				
Miscellaneous				
Special item - gain (loss) on sale of asset				
Transfers				
TOTAL GENERAL REVENUES, SPECIAL ITEMS, AND TRANSFERS				
Change in net position				
Net Position, October 1, 2023				
NET POSITION, SEPTEMBER 30, 2024				

The notes to the financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position Primary Government		
Governmental Activities	Business-type Activities	Total
$ (518,301)		$ (518,301)
(789,496)		(789,496)
(120,272)		(120,272)
-		-
(289,833)		(289,833)
(27,579)		(27,579)
(71,878)		(71,878)
(167,596)		(167,596)
(3,157)		(3,157)
(1,988,112)		(1,988,112)
	$ 803,161	803,161
	23,824	23,824
	(178,105)	(178,105)
	648,880	648,880
(1,988,112)	648,880	(1,339,232)
1,281,041	-	1,281,041
-	-	-
12,598	-	12,598
603,754	-	603,754
-	-	-
102,243	192,961	295,204
61,223	1,612	62,835
-	-	-
-	-	-
2,060,859	194,573	2,255,432
72,747	843,453	916,200
7,440,032	8,016,913	15,456,945
$ 7,512,779	$ 8,860,366	$ 16,373,145

CITY OF SALMON - STATE OF IDAHO
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2024

	General Fund	Streets & Alleys Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 958,116	$ 860,335	$ 740,466	$ 2,558,917
Restricted cash and cash equivalents	4,425	-	-	4,425
Investments	-	-	-	-
Taxes receivable, net	27,598	11,313	1,778	40,689
Due from other funds	-	-	-	-
Receivable from other governments	175,716	100,000	-	275,716
Other receivables	8,742	435	793	9,970
Inventories	7,531	-	-	7,531
Prepaid expenses	12,093	3,474	560	16,127
TOTAL ASSETS	1,194,221	975,557	743,597	2,913,375
DEFERRED OUTFLOWS	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS	$ 1,194,221	$ 975,557	$ 743,597	$ 2,913,375
LIABILITIES				
Accounts payable	$ 119,106	$ 60,159	$ 6,260	$ 185,525
Due to other funds	-	-	-	-
Payable to other governments	-	-	-	-
Other accrued expenses	-	-	-	-
Other payables	-	-	-	-
TOTAL LIABILITIES	119,106	60,159	6,260	185,525
DEFERRED INFLOWS				
Revenue unavailable for use	21,463	8,960	1,402	31,825
FUND BALANCES				
Nonspendable	19,624	3,474	560	23,658
Restricted	4,425	-	-	4,425
Committed	572,284	-	-	572,284
Assigned	-	902,964	735,375	1,638,339
Unassigned	457,319	-	-	457,319
TOTAL FUND BALANCES	1,053,652	906,438	735,935	2,696,025
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	$ 1,194,221	$ 975,557	$ 743,597	$ 2,913,375

The notes to the financial statements are an integral part of this statement.

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

	Governmental Funds
Total fund balance, governmental funds:	$ 2,696,025
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.	5,624,090
Certain other long-term assets are not available to pay current period expenditures and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.	-
Some of the City's taxes will be collected after year-end, but are not available soon enough to pay for current period's expenditures, and therefore are reported as deferred inflows in the funds statements.	31,825
Some liabilities, (such as notes payable, capital lease contract payable, long-term compensated absences, and bonds payable), are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position.	(212,209)
A net pension liability for the measured portion of the present value of projected benefit payments is reported on the Statement of Net Position, but not in the fund financial statements.	
Deferred outflows associated with the net pension liability.	147,933
Deferred inflows associated with the net pension liability.	-
Net pension liability.	(774,885)
Net position of governmental activities in the Statement of Net Position:	$ 7,512,779

CITY OF SALMON - STATE OF IDAHO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended September 30, 2024

	General Fund	Streets & Alleys Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Property taxes	$ 921,214	$ 305,815	$ 54,607	$ 1,281,636
Sales and miscellaneous taxes	-	-	185,594	185,594
Fees and fines	9,558	-	-	9,558
Licenses and permits	18,330	-	-	18,330
Intergovernmental revenues	587,772	437,245	-	1,025,017
Charges for services	62,005	-	37,148	99,153
Investment earnings	47,129	36,790	18,324	102,243
Miscellaneous	145,279	12,961	150	158,390
TOTAL REVENUES	1,791,287	792,811	295,823	2,879,921
EXPENDITURES				
Current:				
General government	352,908	-	19,448	372,356
Public safety	989,274	-	-	989,274
Public works	-	494,600	-	494,600
Health and sanitation	-	-	-	-
Culture and recreation	239,256	-	66,100	305,356
Education	-	-	-	-
Economic development	24,004	-	6,225	30,229
Sacajawea Center	176,530	-	-	176,530
Cemetery	-	-	105,139	105,139
Capital outlay	61,595	4,300	-	65,895
TOTAL EXPENDITURES	1,843,567	498,900	196,912	2,539,379
Excess (deficiency) of revenues over expenditures	(52,280)	293,911	98,911	340,542
OTHER FINANCING SOURCES (USES)				
Other sources	-	-	-	-
Other uses	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
SPECIAL ITEM				
Proceeds from sale of assets	-	-	-	-
Net change in fund balances	(52,280)	293,911	98,911	340,542
Fund Balances, October 1, 2023	1,105,932	612,527	637,024	2,355,483
FUND BALANCES, SEPTEMBER 30, 2024	$ 1,053,652	$ 906,438	$ 735,935	$ 2,696,025

The notes to the financial statements are an integral part of this statement.

CITY OF SALMON - STATE OF IDAHO
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2024

	Governmental Funds
Net change in fund balances - total governmental funds:	$ 340,542
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period.	
This is the amount by which capital outlays of $65,895 were exceeded by depreciation of $286,699 in the current period.	(220,804)
Governmental funds report the entire net sales price (proceeds) from sale of an asset as revenue because it provides current financial resources. In contrast, the Statement of Activities reports only the gain on the sale of the assets. Thus, the change in net position differs from the change in fund balance by the cost of the asset sold.	-
Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the Statement of Activities when earned. This is the net change in deferred inflows.	(595)
Governmental funds report long term debt proceeds as current financial resources. In contrast, the Statement of Activities treats such issuance of debt as a liability. Governmental funds report repayment of long term debt principal as an expenditure. In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities.	33,879
Some expenses reported in the Statement of Activities do not require the use of current financial resources and are not reported as expenditures in governmental funds:	
Net change in pension expense not reflected in the governmental funds	(98,364)
Net change in accrued interest not reflected on governmental funds	644
Governmental funds do not recognize compensated absences as expenditures until they are paid. In contrast, the Statement of Activities treats compensated absences as a long-term liability. This amount is the net change in the compensated absence liability.	17,445
Change in net position of governmental activities:	$ 72,747

CITY OF SALMON - STATE OF IDAHO
STATEMENT OF NET POSITION - PROPRIETARY FUND TYPES
September 30, 2024

	Water Fund	Sewer Fund	Total
ASSETS			
Cash and cash equivalents	$ 721,424	$ 1,853,115	$ 2,574,539
Receivables	144,550	78,227	222,777
Grant receivable	774,648	-	774,648
Prepaid expenses	5,533	3,221	8,754
Restricted cash and equivalents	317,610	428,430	746,040
Construction in progress	2,211,051	-	2,211,051
Land and improvements	81,530	19,800	101,330
Buildings	6,277,356	6,314,029	12,591,385
Enterprise system assets	5,610,786	3,758,361	9,369,147
Equipment	649,972	622,693	1,272,665
Accumulated depreciation	(9,592,898)	(5,296,497)	(14,889,395)
TOTAL ASSETS	7,201,562	7,781,379	14,982,941
DEFERRED OUTFLOWS			
Other deferred outflows	-	-	-
Pension related	31,194	31,194	62,388
TOTAL DEFERRED OUTFLOWS	31,194	31,194	62,388
LIABILITIES			
Accounts payable	138,875	5,329	144,204
Long - term liabilities			
Due within one year			
Bonds, capital leases and contracts	1,809,242	126,257	1,935,499
Accrued interest	36,054	102	36,156
Accrued compensation	9,986	10,399	20,385
Due in more than one year			
Bonds, capital leases and contracts	2,454,473	1,215,299	3,669,772
Accrued compensation	6,817	8,450	15,267
Net pension liability	181,840	181,840	363,680
TOTAL LIABILITIES	4,637,287	1,547,676	6,184,963
DEFERRED INFLOWS	-	-	-
NET POSITION			
Net investment in capital assets	938,028	4,076,728	5,014,756
Restricted for			
Capital projects	-	428,430	428,430
Debt service	317,610	-	317,610
Other projects	-	-	-
Unrestricted	1,339,831	1,759,739	3,099,570
TOTAL NET POSITION	$ 2,595,469	$ 6,264,897	$ 8,860,366

The notes to the financial statements are an integral part of this statement.

CITY OF SALMON - STATE OF IDAHO
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN
FUND NET POSITION - PROPRIETARY FUND TYPES
For the Year Ended September 30, 2024

	Water Fund	Sewer Fund	Total
OPERATING REVENUES			
Charges for services	$ 1,200,650	$ 846,002	$ 2,046,652
Miscellaneous operating revenues	86,418	-	86,418
TOTAL OPERATING REVENUES	1,287,068	846,002	2,133,070
OPERATING EXPENSES			
Personal services	342,979	280,538	623,517
Contractual and professional services	28,362	29,561	57,923
Other purchased services	22,198	48,332	70,530
Other supplies and expense	163,747	48,483	212,230
Insurance expense	17,188	17,188	34,376
Repairs and maintenance	83,985	36,613	120,598
Travel and meetings	6,099	2,231	8,330
Utilities	70,444	78,565	149,009
Depreciation	424,093	280,667	704,760
TOTAL OPERATING EXPENSE	1,159,095	822,178	1,981,273
OPERATING INCOME (LOSS)	127,973	23,824	151,797
NON-OPERATING REVENUES (EXPENSES)			
Interest revenue	53,643	139,318	192,961
Grants	675,188	-	675,188
Miscellaneous revenue	1,612	-	1,612
Miscellaneous expense	-	-	-
Gain(loss) on sale of assets	-	-	-
Interest expense	(174,495)	(3,610)	(178,105)
TOTAL NON-OPERATING REVENUES (EXPENSES)	555,948	135,708	691,656
INCOME (LOSS) BEFORE OTHER REVENUES, EXPENSES, GAINS, LOSSES, AND TRANSFERS	683,921	159,532	843,453
OTHER REVENUE, EXPENSES, GAINS, LOSSES, AND TRANSFERS			
Capital contributions	-	-	-
Capital distributions	-	-	-
Operating transfers in	-	-	-
Operating transfers out	-	-	-
CHANGE IN NET POSITION	683,921	159,532	843,453
NET POSITION - October 1, 2023	1,911,548	6,105,365	8,016,913
NET POSITION - September 30, 2024	$ 2,595,469	$ 6,264,897	$ 8,860,366

The notes to the financial statements are an integral part of this statement.

CITY OF SALMON - STATE OF IDAHO
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
For the Year Ended September 30, 2024

		Water Fund
CASH FLOWS PROVIDED BY OPERATING ACTIVITIES		
Cash received from customers	$	492,133
Cash payments for goods and services		(326,189)
Cash payments to employees		(323,786)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		(157,842)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Transfer in		-
Grants		675,188
Miscellaneous revenue		1,612
Transfer out		-
Miscellaneous expenses		-
NET CASH PROVIDED (USED) BY NON-CAPITAL FINANCING ACTIVITIES		676,800
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from capital debt		1,645,443
Purchases and construction of capital assets		(2,185,851)
Principal payments on bond /leases payable		(160,572)
Interest paid on capital debt		(138,441)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES		(839,421)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income		53,643
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(266,820)
BEGINNING CASH AND CASH EQUIVALENTS		1,305,854
ENDING CASH AND CASH EQUIVALENTS	$	1,039,034
RECONCILIATION OF OPERATING INCOME TO NET CASH		
Operating income (loss)	$	127,973
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation		424,093
(Increase) decrease in:		
Receivables		(794,935)
Prepaid expenses		7,698
Increase (decrease) in:		
Accounts payable/customer deposits		58,136
Net pension expense		23,144
Accrued compensation		(3,951)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$	(157,842)

The notes to the financial statements are an integral part of this statement.

	Sewer Fund		Total
$	843,014	$	1,335,147
	(250,687)		(576,876)
	(257,757)		(581,543)
	334,570		176,728
	-		-
	-		675,188
	-		1,612
	-		-
	-		-
	-		676,800
	-		
	(573,701)		(2,759,552)
	(125,932)		(286,504)
	(3,600)		(142,041)
	(703,233)		(1,542,654)
	139,318		192,961
	(229,345)		(496,165)
	2,510,890		3,816,744
$	2,281,545	$	3,320,579
$	23,824	$	151,797
	280,667		704,760
	(2,988)		(797,923)
	8,797		16,495
	1,489		59,625
	23,144		46,288
	(363)		(4,314)
$	334,570	$	176,728

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NOTES TO THE FINANCIAL STATEMENTS

CITY OF SALMON - STATE OF IDAHO
INDEX TO NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

NOTES INDEX

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Salmon is organized and operates under the provisions of the Idaho Constitution and the accounting policies and practices of the City conform to accounting principles generally accepted in the United States of America as applied to governments, except for the exceptions noted hereafter: the City budgets and operates on a cash basis, but the financial statements are presented in accordance with generally accepted accounting principles.

A. GENERAL

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

The City's basic financial statements consist of government-wide financial statements, including a Statement of Net Position and a Statement of Activities, and fund financial statements which provide a more detailed level of financial position.

B. REPORTING ENTITY

The reporting entity does not include those funds under the direct jurisdiction of other governing boards, elected or appointed, that exercise substantial or total administrative and supervisory authority in their own name and are considered to be autonomous from City of Salmon's government. The City of Salmon does not have any component units.

C. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The City's basic financial statements consist of both government-wide statements and fund statements. The government-wide statements focus on the City as a whole, while the fund statements focus on individual funds.

Government-wide Financial Statements

The government-wide statements present information on all non-fiduciary activities of the government. The City's activities are distinguished between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The effects of interfund activity have been eliminated from the government-wide statements unless there are residual amounts due between governmental and business-type activities.

The *Statement of Net Position* presents the City's non-fiduciary assets, deferred outflows, liabilities, and deferred inflows, with the difference reported as net position. Net position is restricted when constraints placed upon it are either externally imposed or are imposed by constitutional provisions or enabling legislation.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The *Statement of Activities* demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function. The City does not allocate general government (indirect) expenses to other functions. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other revenues not meeting the definition of program revenues are reported as general revenues.

Fund Financial Statements

The financial transactions of the City are recorded in individual funds. A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is used to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. Separate statements are provided for *governmental and proprietary funds*. For governmental and proprietary funds, the emphasis is on *major funds*, with each displayed in a separate column.

The City reports the following major governmental funds:

- **General Fund** - The general fund is the principal operating fund of the City. It is used to account for all financial resources not required to be accounted for in another fund.

- **Streets & Alleys Fund** – The street & alleys fund accounts for the operation and maintenance of the City's highways and streets and is primarily funded by highway user funds from the State of Idaho.

The City reports the following major enterprise funds:

- **Water Fund** – The water fund accounts for the operation and maintenance of the water system and is primarily financed by fees charged to residents and businesses.

- **Sewer Fund** – The sewer fund accounts for the operation and maintenance of the waste disposal system of the City and is primarily financed by fees charged to residents and businesses.

Governmental Fund Types

Governmental funds account for the City's general activities including current expendable financial resources (except for those accounted for in proprietary funds) and are those through which most governmental functions of the City are financed. The following are the City's governmental fund types:

General Fund – The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds – Special Revenue Funds account for proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

Proprietary Fund Types – Enterprise Funds

Enterprise Funds – Enterprise Funds account for operations that meet one of two criteria: 1) the activity runs in a manner similar to private business enterprises. Moreover, the intent of the governing body is that the ongoing operating costs (including depreciation) of providing goods or services to the public are financed or recovered primarily through user charges, or 2) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Fiduciary Fund Types

Fiduciary Funds – Fiduciary Funds account for assets held in a trustee capacity or as an agent for individuals, private organizations, or other governments. The City currently does not have any fiduciary fund types.

Trust and Custodial Funds – Private Purpose Trust Funds account for funds held in a trustee capacity. Custodial funds include taxing districts and agency funds and are purely custodial in nature. The City currently does not have any trust or custodial funds.

D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when the related liability is incurred, regardless of the timing of the cash flows. Property taxes are recognized as revenues in the year for which they are levied. Other revenues are recognized in the year in which the related sales or other activity has occurred. Grants and similar items are recognized as revenue when all eligibility requirements have been met.

The proprietary and fiduciary fund statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues generally 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 items, such as interest expense and investment earnings, result from non-exchange transactions or ancillary activities.

The governmental fund financial statements are prepared and reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Expenditures are generally recorded when the related liability is incurred.

E. ASSETS, DEFERRED OUTFLOWS, LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES/ NET POSITION

The following are the City's significant policies regarding recognition and reporting of certain assets, deferred outflows, liabilities, deferred inflows, and equity:

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. ASSETS, DEFERRED OUTFLOWS, LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES/ NET POSITION

Cash and Investments

Cash and cash equivalents consist primarily of demand deposits with financial institutions and short-term investments with original maturities of three months or less from the purchase date. Investments include pooled investments and certificates of deposit with original maturities greater than three months.

Receivables

Receivables from other governments include amounts from state revenues. Receivables from other governments are reasonably assured; no allowance for uncollectible accounts has been established.

Receivables in the proprietary funds include utility accounts receivable. The receivables for the proprietary funds are reported net of allowance for uncollectible accounts.

Taxes Receivable

Property taxes are levied in September of each year and become payable on December 20 of the current year and June 20 of the following year.

Property taxes attach as an enforceable lien as of December 20 following levy in September. Therefore, no amount has been set aside for an allowance of doubtful accounts. Property taxes not collected within 60 days after year end are classified as revenue unavailable for use.

Capital Assets

The City defines a capital asset as an asset with an initial cost of $10,000 or more for equipment, land, buildings, and infrastructure and an estimated useful life or more than one year. Such assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at estimated acquisition value on the date of acquisition.

Capital assets purchased by governmental funds are recorded as expenditures in the governmental fund statements. Interest expense for capital asset construction related to governmental activities is not capitalized. Interest expense incurred during construction of capital assets related to business-type activities is capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

Equipment, buildings and infrastructure, and other depreciable assets are depreciated using the straight line method over the estimated useful lives of the assets from 5 to 40 years.

Capital assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows

In addition to assets, the Statement of Net Position and the fund-based Balance Sheet will display a separate section for deferred outflows of resources. This financial statement element represents a consumption of net position or fund balance that applies to a future period, or periods, so it will not be recognized as an outflow of resources until that time. The City has deferred outflows related to the net pension liability.

Long-term Obligations

In the government-wide statements and proprietary fund statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Issuance costs are expensed in the year they are incurred. Bonds payable are reported net of the applicable bond premium or discount.

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

Leases

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Deferred Inflows

In addition to liabilities, the Statement of Net Position and the fund-based Balance Sheet will display a separate section for deferred inflows of resources. This financial statement element represents an acquisition of net position or fund balance that applies to a future period, or periods, so it will not be recognized as an inflow of resources until that time. This amount is deferred and recognized as an inflow of resources in the period that amounts become available. The City currently reports revenue unavailable for use and amounts related to net pension liability as deferred inflows.

Net Position/Fund Balances

The difference between assets, deferred outflows, liabilities, and deferred inflows is net position on the government-wide, proprietary fund, and fiduciary fund statements, and fund balance on the governmental fund statements.

Nonspendable and Spendable Fund Balances

Fund balance is separated into nonspendable and spendable fund balances. Nonspendable fund balance 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. Spendable amounts are classified into restricted, committed, assigned, and unassigned. The following is a list of nonspendable and spendable fund balance designations for the City of Salmon:

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Nonspendable: Fund balances associated with inventories, prepaid expenditures, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned).

Restricted: Fund balances that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

Committed: Fund balances that can be used only for the specific purposes determined by a formal action of the city council (the City's highest level of decision-making authority). Additional action is essential to either remove or revise the commitment. During the 2021 fiscal year, by resolution, the City Council committed the following fund balance amounts for:

- 15% for budget stabilization to be used for economic uncertainty and known and anticipated future obligations;
- 15% for emergency disaster to be used for unforeseen events such as natural disasters and catastrophic accidents;
- 10% for vehicle replacement for non-enterprise funds; and
- 10% for working capital to provide sufficient cash flow.

The use of the committed funds is limited to unanticipated, non-recurring needs, or anticipated future obligations and cannot be used for normal or recurring annual operating expenditures.

Approval by majority vote of the City Council is required to use the committed funds. Any recommendation to use the funds needs to be accompanied by a proposal for replenishment of the committed funds by the City Council.

Assigned: Fund balances that are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. Assignments generally only exist temporarily and do not require additional action for the removal of the assignment.

Unassigned: Fund balances that include all spendable amounts not contained in the other classifications.

F. BUDGETS AND BUDGETARY ACCOUNTING

The Idaho Constitution and the Idaho Department of Revenue and Taxation prescribe the budget process and procedures for governmental subdivisions. The City of Salmon has satisfied the basic requirements outlined in the following particulars:

1) Formulation of subsequent year budget requirements by internal City officers and personnel.

2) Perusal of formulated budgets by the City Council and its clerk.

3) Presentation of preliminary and final budget requirements in formal news media of the City.

4) Open hearings to permit taxpayer input before such budgets are formally adopted.

Subsequent control budgets following adoption are accomplished through a budget-expenditures control system with interim status accounting and reporting made available to officers and employees for management purposes. Budgets are adopted on a cash basis of accounting. The City does not maintain a formal encumbrance accounting system.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. COMPENSATED ABSENCES AND POST-EMPLOYMENT BENEFITS

Accumulated unpaid vacation and other employee benefits are accrued when incurred in proprietary funds on the accrual basis of accounting. Such amounts are not accrued in governmental funds on the modified accrual basis of accounting. At September 30, 2024, unrecorded fund liabilities included approximately $66,449 of total leave time and employee benefit accumulations and are considered normal to the City operation.

Vacation and other employee benefits are recorded as an expenditure when used in governmental funds and as an expense when earned in proprietary funds and in the government-wide statements. A liability for unused leave and other accumulated employee benefits is recorded in the government-wide Statement of Net Position.

H. REVENUES AND EXPENDITURES/EXPENSES

Under the modified accrual basis of accounting, revenues are recognized in governmental funds when "measurable and available." Revenues are considered to be available when they are collected within the current period or expected to be collected soon enough thereafter to pay liabilities of the current period. City of Salmon considers property tax revenues to be available if they are collected within 60 days after year-end. Grants and similar items are recognized as revenue when all eligibility requirements have been met. All other revenues, including sales taxes, are considered to be available if they are collected within 30 days after year-end. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

In proprietary funds and government-wide statements, revenues are recognized when earned. Operating revenue consists of income derived from charges from services and other miscellaneous fees. All revenues not meeting this definition are reported as non-operating revenues.

I. EXPENDITURE/EXPENSE RECOGNITION

In governmental funds, expenditures are generally recorded when the related liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Capital asset acquisition and construction are reported as expenditures in the period they are acquired.

In proprietary funds and government-wide statements, expenses are recorded when the related liability is incurred.

Operating expenses for the enterprise fund, if applicable, include the cost of services, administrative expenses, and depreciation on capital assets. All expenses not meeting this definition are reported as non-operating revenues and expenses.

When an expenditure or expense is incurred for purposes for which there are restricted, committed, assigned and/or unassigned resources available, the City generally uses restricted resources first, then committed, next assigned and then unassigned resources.

J. INVENTORY VALUATION

Inventory is valued at cost using the FIFO method.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. INTERFUND ACTIVITY AND BALANCES

Government-wide Statements

See notes 10 and 11 for interfund activity.

Governmental Fund Statements

Interfund transactions for goods and services provided and used are reported as revenues and expenditures/expenses in the funds involved. Cash transfers between funds of the City are reported as other financing sources and uses in the governmental fund statements. See note 11 for interfund activity.

L. USE OF ESTIMATES

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

M. PENSIONS

For purposes of measuring the net pension liability and pension expenses, 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

Cash deposits and investments by the City as of September 30, 2024, totaled $5,883,921, of which $609,191 represented demand deposits (including cash on hand) and $5,274,730 represented investments. Of the total deposits of the City, $2,563,342 was allocated to governmental funds and $3,320,579 to the proprietary funds.

Deposits

At year end, the carrying amount of the City's deposits in financial institutions and cash on hand was $609,191 and the bank balance was $686,155. The amount not covered by FDIC insurance was $436,148.

2. CASH AND INVESTMENTS (Continued)

Investments

The fair value of the City's investments at year end was $5,274,730. Of the investments, $4,524,737 was not covered by FDIC, MBIA, or SIPC insurance.

		Investment Maturities (in Years)				
Investment Type	Fair Value	< 1	1 – 5	> 5	Rating	Percent
Certificates of Deposit	$ 1,530,180	$ 1,319,058	$ 211,122	$ -	N/A	29.0%
Money Market	55,242	55,242	-	-	N/A	1.0%
US Gov. Securities and Bonds	2,053,842	496,300	1,557,542	-	Aaa	39.0%
State Investment Pool	1,635,466	1,635,466	-	-	N/A	31.0%
Total Investments	$ 5,274,730	$ 3,506,066	$ 1,768,664	$ -		100.0%

Restricted Cash

Restricted cash includes $4,425 restricted by donors for Sacajawea Scholarships, amounts collected for debt but not remitted in the amount of $317,610, as well as $428,430, that has been restricted by outside sources for capital projects.

Interest Rate Risk

The City of Salmon does not have a formal investment policy that limits investment maturities so it has exposure to fair value losses arising from increasing interest rates.

Credit Risk

Credit risk is the risk that an issuer or other counter party to an investment will not fulfill its obligations. It is the City's policy to limit investments to the safest types of securities and to diversify the City's investment portfolio so that potential losses on securities will be minimized. The City follows Idaho Statutes that outline qualifying investment options. 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.

Custodial Credit Risk

As of September 30, 2024, all of the City's demand deposits were covered by the federal deposit 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 was exposed to custodial credit risk. This amount includes $800 petty cash on hand for their change drawers and miscellaneous minor expenses that is not insured.

Of the $3,639,264 invested in certificates of deposits, money market, and U.S. government securities, $2,889,264 was not covered by the federal deposit 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 was exposed to custodial credit risk.

2. CASH AND INVESTMENTS (Continued)

The investments in the amount of $1,635,466 in LGIP are through the Idaho State Treasurer who provides the oversight of those monies. Monies held by the LGIP were held in the following investments: government agency notes, commercial paper, corporate bonds, money markets, U.S. treasury notes, Idaho repurchase agreements, and purchased accrued interest. All investments for the LGIP are collateralized with securities held by the LGIP's safekeeping agent in the LGIP's name. The investments held by the LGIP are carried at cost, which is not materially different than fair value (determined by the Idaho State Treasurer's office). The investments in the LGIP are subject to risk from market and interest rate fluctuations. The weighted average maturity at September 30, 2024 was 85 days. The information on the amount not covered by SIPC or FDIC insurance is not available.

Concentration of Credit Risk

The City does not have a formal investment policy limiting the amount of each type of investment in relation to the total investments.

Fair Value Measurements

Fair value accounting guidance defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value guidance also establishes a fair value hierarchy that requires a government to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Based on the inputs used to determine fair value, a three-level hierarchy is used as follows:

- Level 1: fair value is determined using quoted prices (unadjusted) for identical assets or liabilities in active markets that the government can access at the measurement date.
- Level 2: fair value is determined using inputs – other than quoted prices included within Level 1 – that are observable for an asset or liability, either directly or indirectly, such as quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active and inputs are derived principally from or corroborated by observable market data.
- Level 3: fair value is determined using unobservable inputs for an asset or liability and requires the government to develop its own assumptions, based on the best information available in the circumstances, about the considerations market participants would use in pricing the asset or liability.

The following table represents the City's investments that are measured or disclosed at fair value on a recurring basis. The City does not have any financial assets that are measured at fair value on a non-recurring basis.

	Fair Value Hierarchy			
	Level 1	Level 2	Level 3	Total
Certificates of Deposit	$ -	$ 1,530,180	$ -	$ 1,530,180
Governmental securities	2,053,842	-	-	2,053,842

The certificates of deposits are investments in traded certificates of deposit, which are reported in concurrent investments, are based on quoted market prices for identical investments in an inactive market or similar investments in markets that are either active or inactive.

3. CAPITAL ASSETS

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

Governmental Activities	Balance 10-01-2023	Additions	Deletions	Balance 09-30-2024
Capital assets, not being depreciated				
Land	$ 1,421,326	$ -	$ -	$ 1,421,326
Construction in process	-	-	-	-
Total capital assets, not being depreciated	1,421,326	-	-	1,421,326
Capital assets, being depreciated				
Buildings and improvements	6,612,782	23,125	-	6,635,907
Machinery and equipment	2,638,180	42,770	-	2,680,950
Right-to-use leased equipment	226,854	-	-	226,854
Infrastructure	956,669	-	-	956,669
Total capital assets, being depreciated	10,434,485	65,895	-	10,500,380
Less accumulated depreciation for				
Buildings and improvements	(3,677,289)	(160,660)	-	(3,837,949)
Machinery and equipment	(2,182,856)	(82,046)	-	(2,264,902)
Right-to-use leased equipment	(30,247)	(15,124)	-	(45,371)
Infrastructure	(120,525)	(28,869)	-	(149,394)
Total accumulated depreciation	(6,010,917)	(286,699)	-	(6,297,616)
Total capital assets, being depreciated, net	4,423,568	(220,804)	-	4,202,764
Governmental activity, capital assets, net	$ 5,844,894	$ (220,804)	$ -	$ 5,624,090

Depreciation expense was charged to the current functions of the primary government as follows:

Governmental activities	
General government	$ 83,718
Public safety	21,503
Parks and recreation	46,917
Sacajawea	28,196
Cemetery	4,875
Public works	101,490
Current depreciation expense	$ 286,699

3. CAPITAL ASSETS (Continued)

Business-type Activities	Balance 10-01-2023	Additions	Deletions	Balance 09-30-2024
Water:				
Capital assets, not being depreciated				
Land and non-depreciable assets	$ 81,530	$ -	$ -	$ 81,530
Construction in process	29,500	2,181,551	-	2,211,051
Total capital assets, not being depreciated	111,030	2,181,551	-	2,292,581
Capital assets, being depreciated				
Plant and buildings	6,277,356	-	-	6,277,356
Equipment	645,672	4,300	-	649,972
Transmission and distribution	5,610,786	-	-	5,610,786
Total water capital assets, being depreciated	12,533,814	4,300	-	12,538,114
Less accumulated depreciation for				
Plant and buildings	(4,720,253)	(265,493)	-	(4,985,746)
Equipment	(329,196)	(56,907)	-	(386,103)
Transmission and distribution	(4,119,356)	(101,693)	-	(4,221,049)
Total water accumulated depreciation	(9,168,805)	(424,093)	-	(9,592,898)
Total depreciated water capital assets, net	3,365,009	(419.793)	-	2,945,216
Total water capital assets, net	$ 3,476,039	$ 1,761,758	$ -	$ 5,237,797

3. CAPITAL ASSETS (Continued)

Sewer:	Balance 10-01-2023	Additions	Deletions	Balance 09-30-2024
Capital assets, not being depreciated				
Land and non-depreciable assets	$ 19,800	$ -	$ -	$ 19,800
Construction in process	52,003	-	(52,003)	-
Total capital assets, not being depreciated	71,803	-	(52,003)	19,800
Capital assets, being depreciated				
Plant and buildings	6,314,029	-	-	6,314,029
Equipment	618,393	4,300	-	622,693
Transmission and distribution	3,136,957	621,404	-	3,758,361
Total sewer capital assets, depreciated	10,069,379	625,704	-	10,695,083
Less accumulated depreciation for:				
Plant and buildings	(2,578,965)	(141,234)	-	(2,720,199)
Equipment	(440,773)	(42,228)	-	(483,001)
Transmission and distribution	(1,996,092)	(97,205)	-	2,093,297)
Total sewer accumulated depreciation	(5,015,830)	(280,667)	-	(5,296,497)
Total sewer capital assets being depreciated, net	5,053,549	345,037	-	5,398,586
Total sewer capital assets, net	5,125,352	345,037	(52,003)	5,418,386
Total business-type capital assets, net	$ 8,601,391	$ 2,106,795	$ (52,003)	$ 10,656,183

Depreciation expense was charged to current function of the proprietary funds as follows:

Business-type activities	
Water	$ 424,093
Sewer	280,667
Total proprietary activities	$ 704,760

4. PENSION PLAN

Plan Description

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

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

Pension Benefits

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

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

Member and Employer Contributions

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

The contribution rates for employees are set by statute at 60% of the employer rate for general employees and 74% for police and firefighters. As of June 30, 2024, it was 6.71% for general employees and 9.83% for police and firefighters. The employer contribution rate of covered payroll is set by the Retirement Board and was 11.18% for general employees and 13.26% for police and firefighters. The City's contributions were $166,765 for the year ended June 30, 2024.

4. PENSION PLAN (Continued)

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

At September 30, 2024, the City reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2024, the City's proportion was .03043766 percent.

For the year ended September 30, 2024, the City recognized pension expense/(revenue) of $313,966. At September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 181,270	$ -
Changes in assumptions or other inputs	45,104	-
Net difference between projected and actual earnings on pension plan investments	(20,667)	-
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	(38,288)	-
City contributions subsequent to the measurement date	42,902	-
Total	$ 210,321	$ -

$42,902 reported as deferred outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2024.

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

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

Year ended June 30:	
2024	$ 56,195
2025	212,288
2026	(36,609)
2027	(26,167)

4. PENSION PLAN (Continued)

Actuarial Assumptions

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

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

Inflation	2.30%
Salary increases	3.05%
Salary inflation	3.05%
Investment rate of return (net of investment expenses)	6.35%
Net Cost-of-living adjustments	1.00%

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

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

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

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

4. PENSION PLAN (Continued)

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

Asset Class	2024
Cash	0.00%
Fixed Income	30.00%
US/Global Equity	55.00%
International Equity	15.00%
Total	100.00%

Discount Rate

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

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

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

	1% Decrease (5.35%)	Current Discount Rate (6.35%)	1% Increase (7.35%)
Employer's proportionate share of the net pension liability (asset)	$2,163,628	$1,138,565	$301,350

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.

4. PENSION PLAN (Continued)

Payables to the pension plan

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

5. LITIGATION AND CONTINGENT LIABILITIES

No claims or lawsuits are pending against the City.

6. LONG-TERM DEBT/LEASES

Long-term Obligation Activity:

General long-term obligations of the city include two bonds payable to the Department of Environmental Quality (DEQ) and a revenue refunding bond. A short term interim financing with Zions Bank in the amount of $5,319,000 was established during fiscal year 2024 in an escrow account for the water improvement project. The interest rate is 4.53%. At September 30, 2024 the amount drawn from the escrow was $1,645,443. This will be paid off with a long-term USDA loan during the 2025 fiscal year. Long-term liabilities also include net pension liability as required by GASB 68. During the year ending September 30, 2024, the following changes occurred in long-term debt/leases:

Governmental Activities	Balance 10-01-2023	Additions	Reductions	Balance 09-30-2024	Amounts due within one year
Accrued compensation	$ 83,894	$ -	$ (17,445)	$ 66,449	$ 40,067
Accrued interest	3,448	-	(644)	2,804	2,804
US Bank lease/purchase	176,835	-	(33,879)	142,956	34,607
Net pension liability (asset)	883,867	-	(108,982)	774,885	-
Total governmental activities	1,148,044	-	(160,950)	987,094	77,478
Business-type Activities					
Accrued interest	92	36,064	-	36,156	36,156
Accrued compensation	39,966	-	(4,314)	35,652	20,385
Water system (Zions)	-	1,645,443	-	1,645,443	1,645,443
Water system (DEQ)	2,778,844	-	(160,572)	2,618,272	163,799
Sewer system (DEQ)	1,467,488	-	(125,932)	1,341,556	126,257
Net pension liability (asset)	414,968	-	(51,288)	363,680	-
Total business-type activities	4,701,358	1,681,507	(342,106)	6,040,759	1,992,040
Total long-term activities	$ 5,849,402	$ 1,681,507	$ (503,056)	$ 7,027,853	$ 2,069,518

Compensated absences typically have been liquidated in the funds where they are accrued.

6. LONG-TERM DEBT/LEASES (Continued)

Debt Service Requirements:

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

Business-type Activities	Water DEQ Loan 2%	
Year	Principal	Interest
2025	$ 163,799	$ 51,551
2026	167,092	48,258
2027	170,450	44,900
2028	173,876	41,474
2029	177,371	37,979
2030 – 2034	941,790	134,960
2035 – 2038	823,894	37,505
	$ 2,618,272	$ 396,627

	Sewer DEQ Loan .25%	
Year	Principal	Interest
2025	$ 126,257	$ 3,275
2026	126,573	2,959
2027	126,890	2,642
2028	127,201	2,332
2029	127,525	2,007
2030 – 2034	642,425	5,535
2035	64,685	80
	$ 1,341,556	$ 18,830

Lease Payable:

During the 2022 fiscal year, the City of Salmon entered into a six-year lease agreement as lessee for the acquisition and use of an Elgin Pelican street sweeper. An initial lease liability was recorded in the amount of $210,000. As of September 30, 2024, the value of the lease liability was $176,835. The city is required to make yearly principal and interest payments of $37,680.42. The lease has an interest rate of 2.15%. The equipment has a 15-year estimated useful life. The value of the right-to-use asset as of the end of the current fiscal year was $226,854 and had accumulated amortization of $30,247.

6. LONG-TERM DEBT/LEASES (Continued)

Lease Payment Requirements:

Lease payment requirements at September 30, 2024, are as follows:

Year	US Bank lease/purchase (Elgin street sweeper) 2.15% Principal	Interest
2024	$ 33,879	$ 3,802
2025	34,606	3,074
2026	35,351	2,330
2027	36,111	1,569
2028	36,888	793
	$ 176,835	$ 11,568

7. RELATED PARTY TRANSACTIONS

The City has not been directly involved in related party transactions that would violate the Idaho Code or Federal Regulations.

8. MATERIAL VIOLATION OF FINANCE-RELATED LEGAL AND CONTRACTUAL PROVISIONS

There are no known violations of direct finance-related legal and contractual provisions.

9. RISK MANAGEMENT

The City is exposed to various risks related to torts; theft of, damage to, and destruction of assets, errors and omission, and natural disasters. The City's risk management program encompasses various means of protecting the City against loss by obtaining property, casualty, and liability coverage through commercial insurance carriers.

10. DEFICITS AND INTERFUND TRANSACTIONS

There were no fund deficits as of September 30, 2024.

There were no interfund receivables or payables as of September 30, 2024.

11. INTERFUND TRANSFERS

There were no interfund transfers during the 2024 fiscal year.

12. SUBSEQUENT EVENTS

Subsequent events have been considered through the report date of February 19, 2025.

13. UNREALIZED INVESTMENT GAIN/(LOSS)

Government accounting standards, requires that investments are valued on the balance sheet at fair market value and changes in the fair value of investments, should be recognized as revenue in the operating statements. Realized gains and losses should not be displayed separately from changes in fair value of the investments. Below is a reconciliation of the individual funds, showing interest income and decrease in the value of the investment funds:

Fund	Interest Income	Unrealized gains/(losses)	Total
General	$ 24,621	$ 22,508	$ 47,129
Cemetery	845	776	1,621
Streets & Alleys	19,179	17,611	36,790
Local Option Tax	7,505	9,198	16,703
Total Governmental Funds	52,150	50,093	102,243
Water	27,992	25,651	53,643
Sewer	72,647	66,671	139,318
Total Proprietary Funds	100,639	92,322	192,961
Total All Funds	$ 152,789	$ 142,415	$ 295,204

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF SALMON
BUDGET AND ACTUAL (WITH BUDGET TO GAAP DIFFERENCES)
GENERAL FUND
For the year ended September 30, 2024

	Budgeted Amount		Budgetary
	Original	Final	Basis
REVENUES			
Property taxes	$ 919,033	$ 919,033	$ 924,742
Fees and fines	6,000	6,000	9,558
Licenses and permits	21,500	21,500	18,330
Intergovernmental	583,643	623,143	587,772
Charges for services	57,500	57,500	62,005
Investment earnings	20,000	20,000	47,129
Miscellaneous	105,261	285,761	135,499
TOTAL REVENUES	1,712,937	1,932,937	1,785,035
EXPENDITURES			
Current:			
General government	326,142	362,642	358,888
Public safety	948,354	954,854	1,000,544
Public works	-	-	-
Health and sanitation	-	-	-
Culture and recreation	205,993	224,493	242,997
Education	-	-	-
Economic development	32,425	32,425	24,004
Sacajawea Center	180,023	180,023	176,466
Debt Service:			
Principal	-	-	-
Interest and other charges	-	-	-
Capital outlay	20,000	178,500	24,186
TOTAL EXPENDITURES	1,712,937	1,932,937	1,827,085
Excess (deficiency) of revenues over expenditures	-	-	(42,050)
OTHER FINANCING SOURCES (USES)			
Other sources	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
TOTAL OTHER FINANCING SOURCES AND USES	-	-	-
SPECIAL ITEM			
Proceeds from sale of capital assets	-	-	-
Net change in fund balances	-	-	(42,050)
Fund Balances, October 1, 2023	1,105,932	1,105,932	1,105,932
FUND BALANCES, SEPTEMBER 30, 2024	$ 1,105,932	$ 1,105,932	$ 1,063,882

	GAAP Differences		GAAP Basis
	$ (3,528)	$	921,214
	-		9,558
	-		18,330
	-		587,772
	-		62,005
	-		47,129
	9,780		145,279
	6,252		1,791,287
	(5,980)		352,908
	(11,270)		989,274
	-		-
	-		-
	(3,741)		239,256
	-		-
	-		24,004
	64		176,530
	-		-
	-		-
	37,409		61,595
	16,482		1,843,567
	(10,230)		(52,280)
	-		-
	-		-
	-		-
	-		-
	-		-
	(10,230)		(52,280)
	-		1,105,932
	$ (10,230)	$	1,053,652

CITY OF SALMON
BUDGET AND ACTUAL (WITH BUDGET TO GAAP DIFFERENCES)
STREETS & ALLEYS
For the year ended September 30, 2024

	Budgeted Amount		Budgetary
	Original	Final	Basis
REVENUES			
Property taxes	$ 276,299	$ 276,299	$ 304,095
Fees and fines	-	-	-
Licenses and permits	-	-	-
Intergovernmental	233,026	370,026	437,245
Charges for services	-	-	-
Investment earnings	2,000	2,000	36,790
Miscellaneous	-	13,000	12,961
TOTAL REVENUES	511,325	661,325	791,091
EXPENDITURES			
Current:			
General government	-	-	-
Public safety	-	-	-
Public works	417,645	517,645	444,869
Health, welfare and sanitation	-	-	-
Culture and recreation	-	-	-
Education	-	-	-
Debt Service:			
Principal	-	-	-
Interest and other charges	-	-	-
Capital outlay	93,680	143,680	45,986
TOTAL EXPENDITURES	511,325	661,325	490,855
Excess (deficiency) of revenues over expenditures	-	-	300,236
OTHER FINANCING SOURCES (USES)			
Proceeds from capital leases	-	-	-
Other sources	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
TOTAL OTHER FINANCING SOURCES AND USES	-	-	-
SPECIAL ITEM			
Proceeds from sale of capital assets	-	-	-
Net change in fund balances	-	-	300,236
Fund Balances, October 1, 2023	612,527	612,527	612,527
FUND BALANCES, SEPTEMBER 30, 2024	$ 612,527	$ 612,527	$ 912,763

	GAAP Differences		GAAP Basis
	$ 1,720	$	305,815
	-		-
	-		-
	-		437,245
	-		-
	-		36,790
	-		12,961
	1,720		792,811
	-		-
	-		-
	49,731		494,600
	-		-
	-		-
	-		-
	-		-
	-		-
	(41,686)		4,300
	8,045		498,900
	(6,325)		293,911
	-		-
	-		-
	-		-
	-		-
	-		-
	-		-
	(6,325)		293,911
	-		612,527
	$ (6,325)	$	906,438

CITY OF SALMON - STATE OF IDAHO
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended September 30, 2024

1. The legally adopted budget for City of Salmon – State of Idaho is based on the modified cash basis of accounting. Adjustments to the modified accrual basis of accounting are listed as GAAP differences.

2. Higher operating expenses may be reflected on the GAAP basis if equipment was purchased at year-end with a partial payment budgeted in the current year and an account payable booked to reflect the final payment in the subsequent year's budget.

3. The budget was amended for the 2024 fiscal year in the amount of $370,000. Of the $370,000 increase, $220,000 was allocated to the general fund and $150,000 to the street fund. The increase was covered by existing revenues and cash reserves.

CITY OF SALMON - STATE OF IDAHO
SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY
PERSI - BASE PLAN
Last 10 Fiscal Years*

	PERSI BASE PLAN				
Fiscal Year	Employer's portion of net pension liability	Employer's proportionate share of the net pension liability	Employer's covered employee payroll	Employer's proportional share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2015	0.0364184%	$ 479,571	$ 1,006,754	47.64%	91.38%
2016	0.0375057%	$ 751,204	$ 1,076,456	69.78%	87.26%
2017	0.0357532%	$ 561,979	$ 1,097,481	51.21%	90.68%
2018	0.0342091%	$ 504,590	$ 1,087,337	46.41%	91.69%
2019	0.0331381%	$ 378,262	$ 1,111,790	34.02%	93.79%
2020	0.0316733%	$ 735,496	$ 1,114,592	65.99%	88.22%
2021	0.0316239%	$ (24,976)	$ 1,166,080	-2.14%	100.36%
2022	0.0327796%	$ 1,291,111	$ 1,277,485	101.07%	83.09%
2023	0.0325468%	$ 1,298,835	$ 1,368,865	94.88%	83.83%
2024	0.0304377%	$ 1,138,565	$ 1,382,865	82.33%	85.54%

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

Data reported is measured as of June 30.

CITY OF SALMON - STATE OF IDAHO
SCHEDULE OF EMPLOYER CONTRIBUTIONS
PERSI - BASE PLAN
Last 10 Fiscal Years*

	PERSI BASE PLAN				
Fiscal Year	Statutorily Required Contribution	Contribution in Relation to the Statutorily Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll
2015	$ 114,496	$ 114,496	$ -	$ 997,997	11.47%
2016	$ 125,683	$ 125,683	$ -	$ 1,098,556	11.44%
2017	$ 125,382	$ 125,382	$ -	$ 1,094,448	11.46%
2018	$ 124,850	$ 124,850	$ -	$ 1,089,533	11.46%
2019	$ 130,205	$ 130,205	$ -	$ 1,121,098	11.61%
2020	$ 134,422	$ 134,422	$ -	$ 1,112,314	12.08%
2021	$ 144,202	$ 144,202	$ -	$ 1,193,364	12.08%
2022	$ 157,193	$ 157,193	$ -	$ 1,301,009	12.08%
2023	$ 165,872	$ 165,872	$ -	$ 1,374,723	12.07%
2024	$ 168,011	$ 168,011	$ -	$ 1,378,881	12.18%

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

Data reported is measured as of September 30.

CITY OF SALMON - STATE OF IDAHO
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
PERSI – BASE PLAN
For the Year Ended September 30, 2024

Methods and Assumptions Used in Calculations of Actuarily Determined Contributions

The actuarially determined contribution rates in the employer's contributions are calculated as of June 30, 2024. The following actuarial methods and assumptions were used to determine contribution rates reported in that schedule.

	PERSI Base Plan
Valuation date	June 30, 2024
Actuarial cost method	Entry age normal
Amortization method	Level percentage of projected payroll open
Remaining amortization period	10.8 years
Asset valuation method	Fair Market value
Actuarial assumptions:	
Investment Rate of Return *	6.35%
Projected salary increases including inflation	3.05%
Postretirement benefit increase	1.00%
Implied price inflation rate	2.30%
Discount Rate – Actuarial Accrued Liability	6.35%

* net of investment expenses

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SUPPLEMENTARY INFORMATION

CITY OF SALMON - STATE OF IDAHO
COMBINING BALANCE SHEET - SPECIAL REVENUE FUNDS - NONMAJOR
September 30, 2024

	Cemetery Fund	Local Option Tax Fund	Totals
ASSETS			
Cash	$ 23,532	$ 716,934	$ 740,466
Receivables (net)			-
Property taxes	1,778	-	1,778
Accounts receivable	793	-	793
Prepaid insurance	560	-	560
TOTAL ASSETS	26,663	716,934	743,597
DEFERRED OUTFLOWS	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS	$ 26,663	$ 716,934	$ 743,597
LIABILITIES			
Accounts payable	$ 621	$ 5,639	$ 6,260
Accrued compensation	-	-	-
TOTAL LIABILITIES	621	5,639	6,260
DEFERRED INFLOWS			
Revenue unavailable for use	1,402	-	1,402
FUND BALANCES			
Nonspendable - Prepaid expenditures	560	-	560
Assigned	24,080	711,295	735,375
TOTAL FUND BALANCES	24,640	711,295	735,935
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	$ 26,663	$ 716,934	$ 743,597

CITY OF SALMON - STATE OF IDAHO
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS - NONMAJOR
For the Year Ended September 30, 2024

	Cemetery Fund	Local Option Tax Fund	Totals
REVENUES			
Taxes	$ 54,607	$ -	$ 54,607
Other taxes	-	185,594	185,594
Fees and fines	-	-	-
Licenses and permits	-	-	-
Intergovernmental revenues	-	-	-
Entitlement	-	-	-
Charges for services	37,148	-	37,148
Investment earnings	1,621	16,703	18,324
Miscellaneous	150	-	150
TOTAL REVENUES	93,526	202,297	295,823
EXPENDITURES			
General government	-	19,448	19,448
Public safety	-	-	-
Public works	-	-	-
Health and sanitation	-	-	-
Culture and recreation	-	66,100	66,100
Education	-	-	-
Economic development	-	6,225	6,225
Sacajawea Center	-	-	-
Cemetery	104,739	-	104,739
Capital outlay	400	-	400
TOTAL EXPENDITURES	105,139	91,773	196,912
Excess of revenues over (under) expenditures	(11,613)	110,524	98,911
OTHER FINANCING SOURCES (USES)			
Operating transfers in	-	-	-
Operating transfers out	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-
Excess of revenues and other sources over (under) expenditures and other uses	(11,613)	110,524	98,911
FUND BALANCES - October 1, 2023	36,253	600,771	637,024
FUND BALANCES - September 30, 2024	$ 24,640	$ 711,295	$ 735,935

OTHER SUPPLEMENTARY INFORMATION

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF BASIC FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and City Council
City of Salmon – State of Idaho
Salmon, Idaho

We have audited, 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Salmon, State of Idaho, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, as listed in the table of contents, and have issued our report thereon dated February 19, 2025.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the City of Salmon, Idaho's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Salmon's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Salmon'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 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting 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, as defined above, that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Salmon, Idaho's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. Providing an opinion on compliance with those provisions was not an

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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 result of that testing, and not to provide an opinion on the effectiveness of the City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Searle Hart + Associates PLLC

Idaho Falls, Idaho
February 19, 2025

SINGLE AUDIT SECTION

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Searle Hart & Associates, PLLC
CERTIFIED PUBLIC ACCOUNTANTS

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of Salmon - State of Idaho
Salmon, Idaho

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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

Searle Hart + Associates PLLC

Idaho Falls, Idaho
February 19, 2025

CITY OF SALMON - STATE OF IDAHO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2024

	FEDERAL ASSISTANCE LISTING NUMBER	PASS THROUGH ENTITY ID #	PASSED THROUGH TO SUBRECEPIENTS	TOTAL FEDERAL EXPENDITURES
INDIRECT GRANTS				
U.S. DEPARTMENT HOUSING AND URBAN DEVELOPMENT				
Passed through Idaho State Department of Commerce				
Community Development Block Grant	14.228	HUDO22, HUDC20	$ -	$ 383,475
Total - U.S. Department of Housing and Urban Development			-	383,475
DEPARTMENT OF JUSTICE				
Passed through the Idaho State Police				
Edward Byrne Memorial Justice Assistance Grant	16.738		-	65,327
Total - U.S. Department of Justice			-	65,327
DEPARTMENT OF TRANSPORTATION				
Passed through the Idaho Department of Transportation				
National Priority Safety Programs	20.616		-	2,658
Total - U.S. Department of Transportation			-	2,658
DEPARTMENT OF AGRICULTURE				
Passed through the Idaho Department of Agriculture				
Water and Waste Disposal Systems for Rural Communities	10.760		-	1,645,443
Total - U. S. Department of Agriculture			-	1,645,443
TOTAL FEDERAL AWARDS			$ -	$ 2,096,903

CITY OF SALMON - STATE OF IDAHO
NOTES TO THE SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS - MODIFIED CASH BASIS
For the Year Ended September 30, 2024

NOTE 1- BASIS OF PRESENTATION

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

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards is presented using the modified cash basis of accounting as described in Note 1 to the financial statements. 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

City of Salmon, Idaho has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

CITY OF SALMON - STATE OF IDAHO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the 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 weaknesses identified	____ Yes	X No
Significant deficiency identified	____ Yes	X No
Noncompliance material to financial statements noted	____ Yes	X No

Federal Awards

Internal control over major programs:

Material weakness identified	____ Yes	X No
Significant deficiency identified	____ Yes	X None Reported

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

Audit findings required to be reported in accordance with Uniform Guidance 2 CFR 200.516(a)?	____ Yes	X No

Identification of Major Programs:

10.76	Water and Waste Disposal Systems for Rural Communities	$ 1,645,443

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

Auditee qualified as low-risk auditee ____ Yes X No

SECTION II - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

CITY OF SALMON - STATE OF IDAHO
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended September 30, 2024

PRIOR YEAR FEDERAL AWARD QUESTIONED COSTS

None

FINDINGS

None