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

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

TABLE OF CONTENTS

Item	Page No.
Independent Auditor's Report	
FINANCIAL SECTION	
Statement of Net Position	1 - 2
Statement of Activities	3 - 4
Balance Sheet - Governmental Funds	5 - 6
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	7
Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds	8 - 9
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	10
Statement of Net Position - Proprietary Fund Types	11 - 12
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Fund Types	13 - 14
Statement of Cash Flows - Proprietary Funds	15 - 16
Statement of Net Position - Fiduciary Fund Types	17
Statement of Changes in Net Position - Fiduciary Fund Types	18
Index to Notes to the Financial Statements	19
Notes to the Financial Statements	20 - 40
Index to the Notes to the Financial Statements - Country Club Road Urban Renewal Area	41
Notes to the Financial Statements - Country Club Road Urban Renewal Area	42 - 48

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

TABLE OF CONTENTS

Item	Page No.
REQUIRED SUPPLEMENTARY INFORMATION	
Budget and Actual (With Budget to GAAP Differences) - General Fund	49 - 50
Budget and Actual (With Budget to GAAP Differences) - Street Fund	51 - 52
Budget and Actual (With Budget to GAAP Differences) - State Revenue Sharing Fund	53 - 54
Budget and Actual (With Budget to GAAP Differences) - Bond Repayment Fund	55 - 56
Budget and Actual (With Budget to GAAP Differences) - ARPA Fund	57 - 58
Notes to the Required Supplementary Information -Budget and Actual	59
Budget and Actual (With Budget to GAAP Differences) - Country Club Road Urban Renewal Area	60 - 61
Notes to the Required Supplementary Information -Budget and Actual - Country Club Road Urban Renewal Area	62
Schedule of Employer's Share of Net Pension Liability - Persi - Base Plan	63
Schedule of Employer Contributions - Persi - Base Plan	64
Notes to the Required Supplementary Information - Persi - Base Plan	65
SUPPLEMENTARY INFORMATION	
Combining Balance Sheet - Special Revenue Funds - Nonmajor	66
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Special Revenue Funds - Nonmajor	67
Combining Balance Sheet - Debt Service Funds - Nonmajor	68
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Debt Service Funds - Nonmajor	69
Combining Balance Sheet - Proprietary Funds - Nonmajor	70
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Proprietary Funds - Nonmajor	71
Combining Balance Sheet - Fiduciary Fund Types - Private Purpose Trust Funds	72
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Fiduciary Fund Types - Private Purpose Trust Funds	73
OTHER SUPPLEMENTARY INFORMATION	
Report on Internal Control Over Financial Statements and on Compliance and Other Matters Based on an Audit of Basic Financial Statements Performed in Accordance with *Government Auditing Standards*	74 - 75

Searle Hart & Associates, PLLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund balances of the City of Shelley, 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 Shelley, 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 Shelley, 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 Shelley'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 Shelley'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 Shelley'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, and pension related schedules 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 Sates 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Shelley's basic financial statements. The accompanying combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 fund financial statements 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 May 14, 2025, on our consideration of City of Shelley, 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
May 14, 2025

FINANCIAL SECTION

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

	Governmental Activities	Business-type Activities	Total	Urban Renewal Component Units
ASSETS				
Cash and investments	$ 5,050,935	$ 5,520,510	$ 10,571,445	$ 535,188
Taxes receivable	65,880	-	65,880	-
Receivables	23,063	17,082	40,145	-
Due from other funds	-	-	-	-
Due from other governmental agencies	244,642	-	244,642	-
Inventories	-	-	-	-
Prepaid expenses	-	70,600	70,600	-
Restricted cash and investments	179,534	-	179,534	-
Capital Assets				
Land and other assets not being depreciated	792,088	444,915	1,237,003	-
Construction in progress	-	17,951	17,951	-
Infrastructure	3,103,419	5,039,076	8,142,495	-
Buildings	1,178,698	332,923	1,511,621	-
Equipment and furniture	1,616,186	1,292,931	2,909,117	-
Leased equipment	254,453	-	254,453	-
Less: accumulated depreciation	(3,551,880)	(3,659,139)	(7,211,019)	-
Total Capital Assets	3,392,964	3,468,657	6,861,621	-
TOTAL ASSETS	8,957,018	9,076,849	18,033,867	535,188
DEFERRED OUTFLOWS - Pension	$ 251,115	$ 68,166	$ 319,281	$ -

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

	Governmental Activities	Business-type Activities	Total	Urban Renewal Component Units
LIABILITIES				
Accounts payable and accrued expenses	$ 27,410	$ 17,951	$ 45,361	$ -
Due to other governmental agencies	592,619	-	592,619	-
Due to other funds	-	-	-	-
Long-term liabilities				
Due within one year				
Bonds, capital leases and contracts, net of unamortized bond costs	36,421	-	36,421	-
Accrued interest	2,146	-	2,146	-
Compensated absences	73,390	19,303	92,693	-
Claims and judgments	-	-	-	-
Due in more than one year				
Bonds, capital leases and contracts, net of unamortized bond costs	171,282	-	171,282	-
Accrued interest	-	-	-	-
Compensated absences	45,671	12,527	58,198	-
Net pension liability	1,004,331	272,631	1,276,962	-
TOTAL LIABILITIES	1,953,270	322,412	2,275,682	-
DEFERRED INFLOWS - Pension	-	-	-	-
NET POSITION				
Net investment in capital assets	3,183,115	3,468,657	6,651,772	-
Restricted for:				
Capital projects	-	-	-	-
Debt service	179,534	-	179,534	-
Other projects	-	-	-	535,188
Unrestricted	3,892,214	5,353,946	9,246,160	-
TOTAL NET POSITION	$ 7,254,863	$ 8,822,603	$ 16,077,466	$ 535,188

CITY OF SHELLEY - 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	$ 1,109,630	$ 240,168	$ 6,553	$ -
Public safety	1,460,279	-	53,406	-
Public works	1,563,922	-	528,219	-
Health, welfare and sanitation	-	-	-	-
Culture and recreation	417,221	125,618	-	-
Education	-	-	-	-
Interest on long-term debt	3,075	-	-	-
TOTAL GOVERNMENTAL ACTIVITIES	4,554,127	365,786	588,178	-
Business-type activities:				
Sanitation	525,019	598,761	-	-
Water	653,170	694,553	180	26,359
Sewer	683,586	637,052	-	-
Other business-type activities	-	95,130	-	-
TOTAL BUSINESS-TYPE ACTIVITIES	1,861,775	2,025,496	180	26,359
TOTAL PRIMARY GOVERNMENT	$ 6,415,902	$ 2,391,282	$ 588,358	$ 26,359
TOTAL COMPONENT UNITS	$ 60,425	$ -	$ -	$ -

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
Special item - debt transfer
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			
Governmental Activities	Business-type Activities	Total	Urban Renewal Component Units
$ (862,909)		$ (862,909)	
(1,406,873)		(1,406,873)	
(1,035,703)		(1,035,703)	
-		-	
(291,603)		(291,603)	
-		-	
(3,075)		(3,075)	
(3,600,163)		(3,600,163)	
	$ 73,742	73,742	
	67,922	67,922	
	(46,534)	(46,534)	
	95,130	95,130	
	190,260	190,260	
(3,600,163)	190,260	(3,409,903)	
			$ (60,425)
1,383,106	-	1,383,106	113,066
610,237	-	610,237	-
170,657	-	170,657	-
396,663	-	396,663	-
408,197	-	408,197	-
537,653	32,637	570,290	-
174,527	6,619	181,146	-
5,600	-	5,600	-
3,594,463	-	3,594,463	-
(169,458)	169,458	-	-
7,111,645	208,714	7,320,359	113,066
3,511,482	398,974	3,910,456	52,641
3,743,381	8,423,629	12,167,010	482,547
$ 7,254,863	$ 8,822,603	$ 16,077,466	$ 535,188

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

	General Fund	Street Fund	State Revenue Sharing	Bond Repayment Fund
ASSETS				
Cash and cash equivalents	$ 1,768,157	$ 1,141,849	$ 1,293,525	$ -
Restricted cash and cash equivalents	-	-	-	179,534
Investments	-	-	-	-
Taxes receivable, net	45,805	19,174	-	-
Due from other funds	-	-	-	-
Receivable from other governments	90,997	96,477	71,585	-
Other receivables	-	-	-	-
Inventories	-	-	-	-
Prepaid expenses	-	-	-	-
TOTAL ASSETS	1,904,959	1,257,500	1,365,110	179,534
DEFERRED OUTFLOWS	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS	$ 1,904,959	$ 1,257,500	$ 1,365,110	$ 179,534
LIABILITIES				
Accounts payable	$ 11,499	$ 15,911	$ -	$ -
Due to other funds	-	-	-	-
Payable to other governments	-	-	-	-
Other accrued expenses	-	-	-	-
Other payables	-	-	-	-
TOTAL LIABILITIES	11,499	15,911	-	-
DEFERRED INFLOWS				
Revenue unavailable for use	20,954	8,640	-	-
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted				
Debt Service	-	-	-	179,534
Urban Renewal	-	-	-	-
Assigned				
Streets	-	1,232,949	-	-
Recreation	-	-	-	-
Capital Outlay	-	-	1,365,110	-
Unassigned	1,872,506	-	-	-
TOTAL FUND BALANCES	1,872,506	1,232,949	1,365,110	179,534
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	$ 1,904,959	$ 1,257,500	$ 1,365,110	$ 179,534

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

ARPA Fund	Other Governmental Funds	Total Governmental Funds	Country Club Urban Renewal	Total Urban Renewal
$ 592,619	$ 254,785	$ 5,050,935	$ 535,188	$ 535,188
-	-	179,534	-	-
-	-	-	-	-
-	901	65,880	-	-
-	-	-	-	-
-	8,646	267,705	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
592,619	264,332	5,564,054	535,188	535,188
-	-	-	-	-
$ 592,619	$ 264,332	$ 5,564,054	$ 535,188	$ 535,188
$ 592,619	$ -	$ 620,029	$ -	$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
592,619	-	620,029	-	-
-	406	30,000	-	-
-	-	-	-	-
-	-	179,534	-	-
-	-	-	535,188	535,188
-	222,476	1,455,425	-	-
-	27,668	27,668	-	-
-	13,782	1,378,892	-	-
-	-	1,872,506	-	-
-	263,926	4,914,025	535,188	535,188
$ 592,619	$ 264,332	$ 5,564,054	$ 535,188	$ 535,188

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

	Governmental Funds	Component Units
Total fund balance, governmental funds:	$ 4,914,025	$ 535,188
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.	3,392,964	-
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.		
Net pension liability	(1,004,331)	-
Deferred outflows associated with the net pension liability	251,115	-
Deferred inflows associated with the net pension liability	-	-
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.	30,000	-
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.	(328,910)	-
Net position of governmental activities in the Statement of Net Position:	$ 7,254,863	$ 535,188

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

	General Fund	Street Fund	State Revenue Sharing	Bond Repayment Fund
REVENUES				
Property taxes	$ 1,026,911	$ 362,033	$ -	$ -
Fees and fines	-	-	-	-
Licenses and permits	176,549	-	-	-
Intergovernmental revenues	602,425	608,639	258,197	-
Charges for services	100,712	-	-	599,609
Investment earnings	537,460	-	-	-
Miscellaneous	184,053	59,644	-	-
TOTAL REVENUES	2,628,110	1,030,316	258,197	599,609
EXPENDITURES				
Current:				
General government	464,875	-	-	-
Public safety	1,375,239	-	-	-
Public works	-	450,112	-	738,793
Health and sanitation	-	-	-	-
Culture and recreation	357,375	-	2,080	-
Education	-	-	-	-
Economic development	-	-	-	-
Debt Service:				
Principal	-	-	46,750	-
Interest and other charges	-	-	929	-
Capital outlay	-	516,772	254,453	-
TOTAL EXPENDITURES	2,197,489	966,884	304,212	738,793
Excess (deficiency) of revenues over expenditures	430,621	63,432	(46,015)	(139,184)
OTHER FINANCING SOURCES (USES)				
Proceeds from capital debt	-	-	254,453	-
Other uses	-	-	-	-
Transfers in	-	-	-	50,000
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	254,453	50,000
SPECIAL ITEM				
Proceeds from sale of assets	18,900	-	-	-
Net change in fund balances	449,521	63,432	208,438	(89,184)
Fund Balances, October 1, 2023	1,422,985	1,169,517	1,156,672	268,718
FUND BALANCES, SEPTEMBER 30, 2024	$ 1,872,506	$ 1,232,949	$ 1,365,110	$ 179,534

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

ARPA Fund	Other Governmental Funds	Total Governmental Funds	Country Club Urban Renewal	Total Urban Renewal
$ -	$ 15,599	$ 1,404,543	$ 113,066	$ 113,066
-	-	-	-	-
-	-	176,549	-	-
-	32,407	1,501,668	-	-
-	51,525	751,846	-	-
-	193	537,653	-	-
-	27,185	270,882	-	-
-	126,909	4,643,141	113,066	113,066
-	487,350	952,225	-	-
-	-	1,375,239	-	-
-	43,423	1,232,328	-	-
-	-	-	-	-
-	47,947	407,402	-	-
-	-	-	-	-
-	-	-	60,425	60,425
-	-	46,750	-	-
-	-	929	-	-
-	-	771,225	-	-
-	578,720	4,786,098	60,425	60,425
-	(451,811)	(142,957)	52,641	52,641
-	-	254,453	-	-
-	-	-	-	-
-	-	50,000	-	-
-	(219,458)	(219,458)	-	-
-	(219,458)	84,995	-	-
-	-	18,900	-	-
-	(671,269)	(39,062)	52,641	52,641
-	935,195	4,953,087	482,547	482,547
$ -	$ 263,926	$ 4,914,025	$ 535,188	$ 535,188

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CITY OF SHELLEY - 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	Component Units
Net change in fund balances - total governmental funds:	$ (39,062)	$ 52,641
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 difference between capital outlays of $771,225 and depreciation of $441,598 in the current period.	329,627	-
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 revenue unavailable for use.	(21,437)	-
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.	3,386,760	-
Some expenses reported in the Statement of Activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:		
Net change in accrued interest not reflected on governmental funds	(2,146)	-
Net change in pension expense not reflected in the governmental funds	(121,200)	-
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.	(21,060)	-
Change in net position of governmental activities:	$ 3,511,482	$ 52,641

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

	Sanitation Fund	Water Fund	Sewer Fund	Other Enterprise Funds
ASSETS				
Cash and cash equivalents	$ 702,849	$ 1,755,395	$ 1,414,457	$ 1,647,809
Receivables	1,109	3,551	12,422	-
Prepaid expenses	-	-	70,600	-
Restricted cash and equivalents	-	-	-	-
Construction in progress	-	17,951	-	-
Land and water rights	36,915	408,000	-	-
Buildings	181,633	78,669	72,621	-
Enterprise system assets	-	2,947,707	2,091,369	-
Equipment	590,446	218,414	484,071	-
Accumulated depreciation	(666,329)	(1,617,008)	(1,375,802)	-
TOTAL ASSETS	846,623	3,812,679	2,769,738	1,647,809
DEFERRED OUTFLOWS - Pension	23,276	26,436	18,454	-
LIABILITIES				
Accounts payable	-	17,951	-	-
Due to other funds	-	-	-	-
Long - term liabilities				
Due within one year				
Bonds, capital leases and contracts	-	-	-	-
Accrued interest	-	-	-	-
Accrued compensation	6,001	9,528	3,774	-
Due in more than one year				
Bonds, capital leases and contracts	-	-	-	-
Accrued interest	-	-	-	-
Accrued compensation	4,111	5,999	2,417	-
Net pension liability	93,091	105,732	73,808	-
TOTAL LIABILITIES	103,203	139,210	79,999	-
DEFERRED INFLOWS - Pension	-	-	-	-
NET POSITION				
Net investment in capital assets	142,665	2,053,733	1,272,259	-
Restricted for				
Capital projects	-	-	-	-
Debt service	-	-	-	-
Other projects	-	-	-	-
Unrestricted	624,031	1,646,172	1,435,934	1,647,809
TOTAL NET POSITION	$ 766,696	$ 3,699,905	$ 2,708,193	$ 1,647,809

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

	Total
$	5,520,510
	17,082
	70,600
	-
	17,951
	444,915
	332,923
	5,039,076
	1,292,931
	(3,659,139)
	9,076,849
	68,166
	17,951
	-
	-
	-
	19,303
	-
	-
	12,527
	272,631
	322,412
	-
	3,468,657
	-
	-
	-
	5,353,946
$	8,822,603

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

	Sanitation Fund	Water Fund	Sewer Fund
OPERATING REVENUES			
Charges for services	$ 598,761	$ 694,553	$ 637,052
Miscellaneous operating revenues	350	2,904	615
TOTAL OPERATING REVENUES	599,111	697,457	637,667
OPERATING EXPENSES			
Personal services	192,463	228,663	155,054
Contractual and professional services	4,075	27,111	7,244
Other supplies and expense	269,240	101,289	55,539
Repairs and maintenance	30,010	39,711	10,298
Utilities	1,664	126,956	395,673
Depreciation	27,567	129,440	59,778
TOTAL OPERATING EXPENSE	525,019	653,170	683,586
OPERATING INCOME (LOSS)	74,092	44,287	(45,919)
NON-OPERATING REVENUES (EXPENSES)			
Interest revenue	3,745	14,446	14,446
Grants	-	26,539	-
Miscellaneous revenue	-	-	-
Miscellaneous expense	-	-	-
Gain(loss) on sale of assets	-	-	2,750
Interest expense	-	-	-
TOTAL NON-OPERATING REVENUES (EXPENSES)	3,745	40,985	17,196
INCOME (LOSS) BEFORE OTHER REVENUES, EXPENSES, GAINS, LOSSES, AND TRANSFERS	77,837	85,272	(28,723)
OTHER REVENUE, EXPENSES, GAINS, LOSSES, AND TRANSFERS			
Capital contributions	-	-	-
Capital distributions	-	-	-
Operating transfers in	-	-	169,458
Operating transfers out	-	-	-
CHANGE IN NET POSITION	77,837	85,272	140,735
NET POSITION - October 1, 2023	688,859	3,614,633	2,567,458
NET POSITION - September 30, 2024	$ 766,696	$ 3,699,905	$ 2,708,193

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

Other Enterprise Funds	Total
$ 95,130	$ 2,025,496
-	3,869
95,130	2,029,365
-	576,180
-	38,430
-	426,068
-	80,019
-	524,293
-	216,785
-	1,861,775
95,130	167,590
-	32,637
-	26,539
-	-
-	-
-	2,750
-	-
-	61,926
95,130	229,516
-	-
-	-
-	169,458
-	-
95,130	398,974
1,552,679	8,423,629
$ 1,647,809	$ 8,822,603

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

		Sanitation Fund
CASH FLOWS PROVIDED BY OPERATING ACTIVITIES		
Cash received from customers	$	599,465
Cash payments for goods and services		(304,989)
Cash payments to employees		(175,062)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		119,414
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Transfer in		-
Grants		-
Miscellaneous revenue		-
Miscellaneous expenses		-
NET CASH PROVIDED (USED) BY NON-CAPITAL FINANCING ACTIVITIES		-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Gain or (loss) on sale of assets		-
Capital contributions		-
Purchases and construction of capital assets		-
Principal payments on bond /leases payable		-
Payments on capital debt		-
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES		-
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income		3,745
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES		3,745
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		123,159
BEGINNING CASH AND CASH EQUIVALENTS		579,690
ENDING CASH AND CASH EQUIVALENTS	$	702,849
RECONCILIATION OF OPERATING INCOME TO NET CASH		
Operating income (loss)	$	74,092
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation		27,567
Pension expense associated with net pension liability		16,629
(Increase) decrease in:		
Utility receivables		354
Prepaid ERU's		-
Increase (decrease) in:		
Accounts payable		-
Accrued compensation		772
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$	119,414

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

	Water Fund	Sewer Fund	Other Enterprise Funds	Total
$	701,062	$ 640,846	$ 95,130	$ 2,036,503
	(277,116)	(468,754)	-	(1,050,859)
	(194,758)	(134,846)	-	(504,666)
	229,188	37,246	95,130	480,978
	-	169,458	-	169,458
	26,539	-	-	26,539
	-	-	-	-
	-	-	-	-
	26,539	169,458	-	195,997
	-	2,750	-	2,750
	-	-	-	-
	(42,497)	-	-	(42,497)
	-	-	-	-
	-	-	-	-
	(42,497)	2,750	-	(39,747)
	14,446	14,446	-	32,637
	14,446	14,446	-	32,637
	227,676	223,900	95,130	669,865
	1,527,719	1,190,557	1,552,679	4,850,645
$	1,755,395	$ 1,414,457	$ 1,647,809	$ 5,520,510
$	44,287	$ (45,919)	$ 95,130	$ 167,590
	129,440	59,778	-	216,785
	32,557	19,820	-	69,006
	3,605	3,179	-	7,138
	-	-	-	-
	17,951	-	-	17,951
	1,348	388	-	2,508
$	229,188	$ 37,246	$ 95,130	$ 480,978

CITY OF SHELLEY - STATE OF IDAHO
STATEMENT OF NET POSITION - FIDUCIARY FUND TYPES
September 30, 2024

	PRIVATE PURPOSE TRUST FUNDS
ASSETS	
Cash	$ 426
Receivables	-
Due from other governments	-
Capital Assets	
Land and improvements not being depreciated	-
Construction in process	-
Infrastructure	-
Buildings	-
Equipment and furniture	-
Less: accumulated depreciation	-
TOTAL ASSETS	426
DEFERRED OUTFLOWS	-
LIABILITIES	
Accounts payable	-
Deferred revenue	-
TOTAL LIABILITIES	-
DEFERRED INFLOWS	-
NET POSITION	426
TOTAL NET POSITION	$ 426

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

CITY OF SHELLEY - STATE OF IDAHO
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUND TYPES
For the Year Ended September 30, 2024

	PRIVATE PURPOSE TRUST FUNDS
ADDITIONS	
Intergovernmental	$ -
Charges for services	-
Interest	-
Miscellaneous	-
TOTAL ADDITIONS	-
DEDUCTIONS	
General government	-
Public safety	-
Public works	-
Parks and recreation	-
TOTAL DEDUCTIONS	-
Excess of additions over (under) deductions	-
Change in net position	-
NET POSITION - October 1, 2023	426
NET POSITION - September 30, 2024	$ 426

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NOTES TO THE FINANCIAL STATEMENTS

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

NOTES INDEX

1. Summary of Significant Accounting Policies
   A. General
   B. Reporting Entity
   C. Government-wide and Fund Financial Statements
   D. Measurement Focus and Basis of Accounting
   E. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Fund Balances/Net Position
   F. Budgets and Budgetary Accounting
   G. Compensated Absences and Post-Employment Benefits
   H. Revenues and Expenditures/Expenses
   I. Expenditure/Expense Recognition
   J. Interfund Activity and Balances
   K. Pensions
   L. Use of Estimates
   M. Leases
2. Cash and Investments
3. Prepaid ERU's
4. Capital Assets
5. Pension Plan
6. Litigation and Contingent Liabilities
7. Long-Term Debt
8. Related Party Transactions
9. Material Violation of Finance-Related Legal and Contractual Provisions
10. Risk Management
11. Deficits and Interfund Transactions
12. Interfund Transfers
13. Subsequent Events

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Shelley 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 Shelley's government. Two component units are reported for the City of Shelley.

Discretely Presented Component Units

In conformity with generally accepted accounting principles, the basic financial statements of the Country Club Road Urban Renewal Area has been included in the financial reporting entity as discretely presented component unit, emphasizing their nature as legally separate entities from the City. It is presented in a separate column in the government-wide statements and presented in a separate column within the fund-based financial statements.

Country Club Road Urban Renewal Area: This component unit has a board, which is appointed by the Mayor of the City with the advice and consent of the City of Shelley Council. The Country Club Road Urban Renewal Area rehabilitates deteriorating or deteriorated areas and constructs infrastructure needed for economic development. It has a fiscal year end of September 30.

Complete financial statements for Country Club Road Urban Renewal Area can be obtained from their administrative office at 101 S. Emerson, Shelley, Idaho 83274.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Government-wide Financial Statements
The government-wide statements present information on all non-fiduciary activities of the government and its component units. 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.

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.

- Street Fund – The street 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.

- State Revenue Sharing – The state revenue sharing fund accounts for operating activities of the City, and is funded by state revenue sharing funds from the State of Idaho. The City generally uses these funds for capital expenditures though they are not legally restricted in their use.

- Bond Repayment Fund – The bond repayment fund accumulates and distributes resources for the repayment of long-term debt.

- American Recovery Plan Act Fund (ARPA) – The ARPA fund accounts for funds received under the federal grant and expenditures of the federal grant money.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The City reports the following major enterprise funds:

- **Sanitation Fund** – The sanitation fund accounts for the operation of the City's sanitation department and is primarily funded by fees charged to residents and businesses.
- **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.

Debt Service Funds – Debt Service Funds are used to service the interest and principal payments for the City's long-term debt. They are funded by special assessments.

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.

Trust and Custodial Funds – Private Purpose Trust Funds account for funds held in a trustee capacity. Custodial funds are primarily used to collect and remit funds for other governmental agencies. The City currently has one private purpose trust fund and does not have any custodial funds.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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:

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 City has a delinquent fee policy that limits the uncollectible accounts; therefore, no allowance for uncollectible accounts has been established.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 activties 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.

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 currently reports deferred outflows related to net pension liability on the Statement of Net Position.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 as a deferred inflow on the governmental fund-based Balance Sheet and deferred outflows related to the net pension liability on the Statement of Net Position.

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 Shelley:

Nonspendable: Fund balances associated with inventories, prepaids, 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.

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. The City Council has by resolution authorized management to assign fund balance. 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 Shelley 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.

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 $119,061 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 Shelley 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. INTERFUND ACTIVITY AND BALANCES

Government-wide Statements

See note 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.

K. PENSIONS

For purposes of measuring the net pension liability and pension expense, information about the fiduciary net position of the Public Employee Retirement System of Idaho Base Plan (Base Plan) and additions to/deductions from 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.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. LEASES

The City accounts for leases in accordance with GASB 87. The City is a lessee in operating leases for large equipment. Leases are evaluated using the criteria outlined in GASB 87 to determine whether they will be classified as operating leases or finance leases. The City determines if an arrangement is a lease, or contains a lease, at inception of a contract and when terms of an existing contract are changed. The City determines if an arrangement conveys the right to use an identified assets and whether the City obtains substantially all of the economic benefit from and has the ability to direct the use of the asset. The City recognizes a lease liability and right-of-use (ROU) asset at the commencement date of the lease. At September 30, 2024, operating lease

ROU assets and related current and long-term portions of operating lease liabilities have been presented in the balance sheet.

Lease liabilities: a lease liability is measured based on the present value of its future lease payments. The discount rate is the rate implicit in the lease if it is readily determinable; otherwise, the City uses its incremental borrowing rate. The City's incremental borrowing rate for a lease is the rate of interest it would have to pay on a collateralized basis to borrow ana mount equal to the lease payments under similar terms and in a similar economic environment and geographic location.

ROU assets: a ROU assets is measured at the commencement date at the amount of the initially measured liability plus any lease payments made to the lessor before or after commencement date, minus any lease incentives received, plus any initial direct costs. Unless impaired, the ROU asset is subsequently measured throughout the lease term at the amount of the lease liability, plus (minus) unamortized initial direct costs, plus (minus) any prepaid (accrued lease payments), less the unamortized balance of lease incentives received. Lease cost for lease payments is recognized on a straight-line basis over the lease of the term. Finance lease ROU assets are amortized on a straight-line basis over the shorter of the lease term or the remaining useful life of the asset.

2. CASH AND INVESTMENTS

Cash deposits and investments by the City as of September 30, 2024, totaled $10,751,405, of which $2,704,689 represented demand deposits and $8,046,716 represented investments. Of the total deposits of the City, $5,230,469 was allocated to governmental funds, $5,520,510 to the proprietary funds, and $426 to fiduciary funds.

Deposits

At year end, the carrying amount of the City's deposits in financial institutions was $2,704,689 and the bank balance was $2,273,301. The amount not covered by FDIC or NCUA insurance was $2,023,301.

2. CASH AND INVESTMENTS (Continued)

Investments

The fair value of the City's investments at year end was $8,046,716. Of the investments, $7,523,945 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	$ 1,830,900	$ 447,734	$ 1,383,166	$ -	N/A	22.76%
Corporate Bonds	149,715	149,715	-	-	A1	1.86%
Mutual Funds	572,425	572,425	-	-	Aaa	7.11%
US Treasury	5,493,676	2,298,051	3,195,625	-	Aaa	68.27%
Total Investments	$ 8,046,716	$ 3,467,925	$ 4,578,791	$ -		100.00%

Restricted Cash

Fees collected for the retirement of debt that have not been remitted are classified as restricted at year end.

Investment Rate Risk

The City of Shelley has a formal investment policy that limits investment maturities to five years as a means of managing its exposure to fair value losses arising from increasing interest rates. Sufficient cash and cash equivalents will be maintained to satisfy liquidity requirements of the City.

Credit Risk

The City has a formal written investment policy that addresses credit risk. The City follows the requirements of the Idaho Public Depository Law (Idaho Code Section, Title 50-1013) and applicable investment rights and restrictions cited by Idaho Code Sections, Title 67, 67-1210.

Custodial Credit Risk

The City has a formal written investment policy that addresses custodial credit risk by investing amounts that keep the funds within FDIC insurance or government faith and backing, or Corporate bonds with an A rating or higher by a commonly known rating service.

Concentration of Credit Risk

Corporate bond exposure is limited to 50% of the market value of the investment accounts.

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.

2. CASH AND INVESTMENTS (Continued)

- 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
Debt Securities				
US Treasury notes	$ 5,493,676	$ -	$ -	$ 5,493,676
Mutual funds	572,425	-	-	572,425
Certificates of deposit	-	1,830,900	-	1,830,900
Corporate bonds	-	149,715	-	149,715
	$ 6,066,101	1,980,615	$ -	8,046,716

Level 1 inputs are quoted prices in active markets for identical assets.

3. PREPAID ERU'S

At year end, the City had 21 prepaid ERU's valued at $70,600 that can be used in future years.

4. CAPITAL ASSETS

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

	Balance 10-01-2023	Additions	Deletions	Balance 09-30-2024
Governmental Activities				
Capital assets, not being depreciated				
Land	$ 792,088	$ -	$ -	$ 792,088
Construction in Progress	-	-	-	-
Total capital assets, not being depreciated	792,088	-	-	792,088
Capital assets, being depreciated				
Infrastructure	2,707,079	396,340	-	3,103,419
Buildings and improvements	1,178,698	-	-	1,178,698
Machinery and equipment	1,542,180	120,432	(46,426)	1,616,186
Operating lease - right to use assets	-	254,453	-	254,453
Total capital assets, being depreciated	5,427,957	771,225	(46,426)	6,152,756
Less accumulated depreciation for				
Infrastructure	(1,267,095)	(258,552)	-	(1,525,647)
Buildings and improvements	(737,011)	(24,189)	-	(761,200)
Machinery and equipment	(1,152,602)	(107,966)	46,426	(1,214,142)
Operating lease – right to use assets	-	(50,891)	-	(50,891)
Total accumulated depreciation	(3,156,708)	(441,598)	46,426	(3,551,880)
Total capital assets, being depreciated, net	2,271,249	329,627	-	2,600,876
Governmental activity, capital assets, net	$ 3,063,337	$ 329,627	$ -	$ 3,392,964

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

Governmental activities	
General government	$ 17,309
Public works	329,430
Public safety	85,040
Parks and recreation	9,819
Current depreciation expense	$ 441,598

4. CAPITAL ASSETS (Continued)

	Balance 10-01-2023	Additions	Deletions	Balance 09-30-2024
Business-type Activities				
Sanitation:				
Capital assets, not being depreciated				
Land	$ 36,915	$ -	$ -	$ 36,915
Total capital assets, not being depreciated	36,915	-	-	36,915
Capital assets, being depreciated				
Buildings and improvements	181,633	-	-	181,633
Equipment	590,446	-	-	590,446
Total sanitation assets, being depreciated	772,079	-	-	772,079
Less accumulated depreciation for				
Buildings and improvements	(117,329)	(4,562)	-	(121,891)
Equipment	(521,433)	(23,005)	-	(544,438)
Total sanitation accumulated depreciation	(638,762)	(27,567)	-	(666,329)
Total sanitation capital assets, being depreciated, net	133,317	(27,567)	-	105,750
Total sanitation capital assets, net	170,232	(27,567)	-	142,665
Sewer:				
Capital assets, not being depreciated				
Construction in progress	-	-	-	-
Total capital assets, not being depreciated	-	-	-	-
Capital assets, being depreciated				
Buildings	72,621	-	-	72,621
Equipment	484,071	-	-	484,071
Sewer system	2,091,369	-	-	2,091,369
Total sewer capital assets, being depreciated	$ 2,648,061	$ -	$ -	$ 2,648,061

4. CAPITAL ASSETS (Continued)

	Balance 10-01-2023	Additions	Deletions	Balance 09-30-2024
Less accumulated depreciation for				
Buildings	$ (68,692)	$ (993)	$ -	$ (69,685)
Equipment	(466,703)	(2,628)	-	(469,331)
Sewer system	(780,629)	(56,157)	-	(836,786)
Total sewer accumulated depreciation	(1,316,024)	(59,778)	-	(1,375,802)
Total sewer capital assets being depreciated, net	1,332,037	(59,778)	-	1,272,259
Total sewer capital assets, net	1,332,037	(59,778)	-	1,272,259
Water:				
Capital assets, not being depreciated				
Land	100,000	-	-	100,000
Water rights and easements	308,000	-	-	308,000
Construction in progress	-	17,951	-	17,951
Total capital assets, not being depreciated	408,000	17,951	-	425,951
Capital assets, being depreciated				
Buildings	66,195	12,474	-	78,669
Equipment	206,342	12,072	-	218,414
Water system	2,947,707	-	-	2,947,707
Total water capital assets, being depreciated	3,220,244	24,546	-	3,244,790
Less accumulated depreciation for				
Buildings	(62,299)	(883)	-	(63,182)
Equipment	(187,148)	(5,650)	-	(192,798)
Water system	(1,238,121)	(122,907)	-	(1,361,028)
Total water accumulated depreciation	(1,487,568)	(129,440)	-	(1,617,008)
Total water capital assets being depreciated, net	1,732,676	(104,894)	-	1,627,782
Total water capital assets, net	2,140,676	(86,943)	-	2,053,733
Total business-type capital assets, net	$ 3,642,945	$ (174,288)	$ -	$ 3,468,657

4. CAPITAL ASSETS (Continued)

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

Business-type activities		
Sanitation	$	27,567
Sewer		59,778
Water		129,440
Total proprietary activities	$	216,785

5. 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.

5. PENSION PLAN (Continued)

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 $187,036 for the year ended June 30, 2024.

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

At September 30, 2024, the City reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2024, the City's proportion was .03413749 percent.

For the year ended September 30, 2024, the City recognized pension expense/(revenue) of $386,067. 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	$ 203,304	$ -
Changes in assumptions or other inputs	50,587	-
Net difference between projected and actual earnings on pension plan investments	(23,179)	-
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	33,657	-
City contributions subsequent to the measurement date	54,912	-
Total	$ 319,281	$ -

$54,912 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.

5. PENSION PLAN (Continued)

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:		
2025	$	63,026
2026		238,093
2027		(41,059)
2028		(29,348)

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.

5. PENSION PLAN (Continued)

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

Even though history provides a valuable perspective for setting the investment return assumption, the System relies primarily on 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.

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.

5. PENSION PLAN (Continued)

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)	$2,426,626	$1,276,962	$337,980

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERSI financial report.

PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at www.persi.idaho.gov.

Payables to the pension plan

At September 30, 2024, the District 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.

6. LITIGATION AND CONTINGENT LIABILITIES

No claims or lawsuits are pending against the City.

7. LONG-TERM DEBT/LEASES

Long-term Obligation Activity:

The DEQ bond was transferred to Eastern Idaho Regional Sewer District (EIRSD) in fiscal year 2024. 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 interest	$ 7,572	$ -	$ (5,426)	$ 2,146	$ 2,146
Accrued compensation	98,001	21,060	-	119,061	73,390
Sewer bond payable	3,586,891	-	(3,586,891)	-	-
Net pension liability	1,078,122	-	(73,791)	1,004,331	-
Right-of-use assets (lease)	-	207,703	-	207,703	36,421
Total governmental activities	4,770,586	228,763	(3,666,108)	1,333,241	111,957
Business-type Activities					
Accrued compensation	29,322	2,508	-	31,830	19,303
Net pension liability	231,073	41,558	-	272,631	-
Total business-type activities	260,395	44,066	-	304,461	19,303
Total long-term activities	$ 5,030,981	$ 272,829	$ (3,666,108)	$ 1,637,702	$ 131,260

Debt Service Requirements:

Debt service requirements on long-term debt/leases payable on September 30, 2024, are as follows. A lease agreement was approved and signed with Bancorp for leasing vehicles for the police department. Currently there are 4 vehicles being leased under this agreement. With varying interest rates of 5.01% to 5.68%

	Bancorp lease	
Year	Principal	Interest
2025	$ 36,421	$ 11,258
2026	38,432	9,247
2027	40,555	7,124
2028	42,795	4,884
2029	49,500	2,500
	$ 207,703	$ 35,013

8. RELATED PARTY TRANSACTIONS

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

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

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

10. 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.

11. DEFICITS AND INTERFUND TRANSACTIONS

There were no funds with as deficit as of September 30, 2024.

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

12. INTERFUND TRANSFERS

Interfund transfer for the year ended September 30, 2024, consisted of the following:

Transfer from:	Sewer Bond Res.	Totals
Transfer to:		
Bond Repayment	50,000	50,000
Sewer	169,458	169,458
Total	219,458	219,458

13. SUBSEQUENT EVENTS

Subsequent events have been considered through the report date of May 14, 2025. There are no known subsequent events that will have a material impact on the operation of the City.

COUNTRY CLUB ROAD URBAN RENEWAL AREA - STATE OF IDAHO
A COMPONENT UNIT OF THE CITY OF SHELLEY, IDAHO
INDEX TO NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

NOTES INDEX

1. Summary of Significant Accounting Policies

   A. General
   B. Reporting Entity
   C. Government-wide and Fund Financial Statements
   D. Measurement Focus and Basis of Accounting
   E. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Fund Balances/Net Position
   F. Budgets and Budgetary Accounting
   G. Compensated Absences and Post-Employment Benefits
   H. Revenue Recognition
   I. Expenditure/Expense Recognition
   J. Use of Estimates

2. Cash and Investments

3. Litigation and Contingent Liabilities

4. Related Party Transactions

5. Material Violation of Finance Related Legal and Contractual Provisions

6. Risk Management

7. Deficit Fund Balance

9. Subsequent Events

COUNTRY CLUB ROAD URBAN RENEWAL AREA - STATE OF IDAHO
A COMPONENT UNIT OF THE CITY OF SHELLEY, IDAHO
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Country Club Road Urban Renewal Area (Area) is organized and operates under the provisions of the Idaho Constitution and the accounting policies and practices of the Area conform to accounting principles generally accepted in the United States of America as applied to governments, except for the exceptions noted hereafter. The City of Shelley (City) appoints the voting members of the Board and the Area provides a financial benefit to the City. For these reasons, the Area is considered a component unit of the City.

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

B. REPORTING ENTITY

The scope of the reporting entity is intended to cover those funds under the direct jurisdiction of the Area. Other governing boards, elected or appointed, that exercise substantial or total administrative and supervisory authority in their own name are considered to be substantially autonomous from the Country Club Road Urban Renewal Area government and are not included in this report.

C. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

Government-wide Financial Statements

The government-wide statements present information on all non-fiduciary activities of the government. The Area's activities are governmental in nature. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

The *Statement of Net Position* presents the Area'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.

The *Statement of Activities* demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function. The Area 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Fund Financial Statements

The financial transactions of the Area 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, proprietary, and fiduciary funds. For governmental and proprietary funds, the emphasis is on major funds, with each displayed in a separate column.

Governmental Fund Types

Governmental funds account for the Area's general activities including current expendable financial resources and are those through which most governmental functions of the Area are financed.

The Area reports the following major governmental fund:

- **General Fund** - This fund is the principal operating fund of the Area. It is used to account for all financial resources not required to be accounted for in another fund and is supported primarily through property taxes.

Proprietary Fund Types – Enterprise Funds

The Area does not have any proprietary funds.

Fiduciary Fund Types

The Area does not have any fiduciary 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 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Following are the Area's significant policies regarding recognition and reporting of certain assets, deferred outflows, liabilities, deferred inflows, and equity.

Cash and Investments

Cash and cash equivalents consist of demand deposits with financial institutions. The Area does not have any investments.

Taxes Receivable

Property taxes are levied in September of each year and become payable on December 20 and June 20 of the following year for real property taxes and December 20 for personal property taxes.

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 for doubtful accounts. Property taxes not collected before December 1 are classified as revenue unavailable for use.

Deferred Outflows

In addition to assets, the Statement of Net Position and the fund-based Balance Sheet will sometimes report a separate section for deferred outflows of resources. This financial statement element represents a consumption of net position/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 Area does not have any deferred outflows at this time.

Long-term Obligations

The Area does not have any long-term obligations.

Deferred Inflows

The Statement of Net Position and the Balance Sheet will sometimes report a separate section for deferred inflows of resources in addition to liabilities. This financial statement element represents an acquisition of net position/fund balance that applies to a future period, or periods, so it will not be recognized as an inflow of resources until that time. The Country Club Road Urban Renewal Area recognizes property taxes receivable that will not be collected within 60 days as a deferred inflow.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Net Position/Fund Balances

The difference between assets plus deferred outflows and liabilities plus deferred inflows is reported as net position on the government-wide and fund balance on the fund-based financial statements.

Nonspendable and Spendable Fund Balances

Fund balance is separated into nonspendable and spendable fund balance. The following is a list of nonspendable and spendable fund balance designations for the Country Club Road Urban Renewal Area.

Nonspendable: This designation segregates fund balances that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact.

Restricted: This designation segregates a portion of the fund balance when constraints have been placed on the use of the resources either externally by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Committed: This designation indicates a portion of the fund balance which can only be used for specific purposes pursuant to constraints imposed by formal action of the Area's board. It cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action it employed to previously commit it.

Assigned: This designation indicates a fund balance that can only be spent for purposes officially delegated by authority (such as the budget process) or is constrained by governmental intent, but is not restricted or committed.

Unassigned: This designation indicates a fund balance is not assigned to any specific purpose or is a negative fund balance. The Area may use the positive unassigned fund balance for expenditures in subsequent fiscal years.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Area generally uses restricted fund balance first, then unrestricted.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 Country Club Road Urban Renewal Area has satisfied all of the basic requirements prescribed in the following particulars:

1) Formulation of subsequent year budget requirements by internal Area directors and personnel.

2) Perusal of formulated budgets by the Board members and management.

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

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

Subsequent budget controls following adoption are accomplished through a budget-expenditure control system with interim status accounting and reporting made available to board members for management purposes. Budgets are adopted on a cash basis of accounting. The Area does not maintain a formal encumbrance accounting system.

G. COMPENSATED ABSENCES AND POST-EMPLOYMENT BENEFITS

There were no compensated absences or post-employment benefits payable at September 30, 2024.

H. REVENUE RECOGNITION

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. Country Club Road Urban Renewal Area considers property tax revenues to be available if they are collected within 60 days after year-end. 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 for 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 in which they are acquired or the construction takes place.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. EXPENDITURE/EXPENSE RECOGNITION (Continued)

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

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

J. 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 these estimates.

2. CASH AND INVESTMENTS

Cash and cash equivalents are defined as those financial instruments that have a maturity date of three months or less from the date of acquisition.

Cash deposits and investments of the Area as of September 30, 2024, totaled $535,188 all of which represented demand deposits. All of the deposits were allocated to governmental funds.

The deposits and simple investments by the Area are not collateralized nor are they required to be by Idaho statute. The Area follows the requirements of the Idaho Public Depository Law (Idaho Code Section, Title 57-100), and applicable investment rights and restrictions cited by the Idaho Code Section, Title 67, 67-210.

Deposits

At September 30, 2024, the carrying amount of the Area's deposits in financial institutions was $482,547. The bank balance at year end was $535,188. At September 30, 2024, $285,188 of the demand deposits were not covered by the FDIC.

The Area does not have a written policy addressing credit risk, custodial credit risk or interest risk.

4. LITIGATION AND CONTINGENT LIABILITIES

No claims or lawsuits are pending against the Area.

5. RELATED PARTY TRANSACTIONS

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

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

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

7. RISK MANAGEMENT

The Area is exposed to various risks related to torts: theft of, damage to, and destruction of assets, errors and omissions, and natural disasters. They have retained the risk of loss. They have not purchased commercial insurance nor do they participate in a public entity risk pool. There currently are no liabilities for unpaid claims or outstanding annuity contracts nor are there any asserted claims. The Area is not aware of any unasserted claims as of September 30, 2024

8. DEFICIT FUND BALANCE

The General Fund did not have a deficit fund balance as of September 30, 2024.

9. SUBSEQUENT EVENTS

Subsequent events have been considered through the report date of May 14, 2025.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF SHELLEY
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	$ 996,276	$ 996,276	$ 1,006,018
Fees and fines	-	-	-
Licenses and permits	119,025	119,025	176,549
Intergovernmental	709,900	709,900	605,328
Charges for services	86,966	86,966	100,712
Investment earnings	-	-	537,460
Miscellaneous	142,063	142,063	183,914
TOTAL REVENUES	2,054,230	2,054,230	2,609,981
EXPENDITURES			
General government	650,100	650,100	458,035
Public safety	1,474,700	1,474,700	1,350,621
Public works	-	-	-
Health, welfare and sanitation	-	-	-
Culture and recreation	413,621	413,621	313,142
Education	-	-	-
Debt Service:			
Principal	-	-	-
Interest and other charges	-	-	-
Capital outlay	652,656	652,656	68,851
TOTAL EXPENDITURES	3,191,077	3,191,077	2,190,649
Excess (deficiency) of revenues over expenditures	(1,136,847)	(1,136,847)	419,332
OTHER FINANCING SOURCES (USES)			
Proceeds from capital leases	-	-	-
Other sources	-	-	-
Transfers in	-	-	139
Transfers out	-	-	-
TOTAL OTHER FINANCING SOURCES AND USES	-	-	139
SPECIAL ITEM			
Proceeds from sale of capital assets	-	-	18,900
Net change in fund balances	(1,136,847)	(1,136,847)	438,371
Fund Balances, October 1, 2023	1,422,985	1,422,985	1,422,985
FUND BALANCES, SEPTEMBER 30, 2024	$ 286,138	$ 286,138	$ 1,861,356

	GAAP Differences		GAAP Basis
	$ 20,893	$	1,026,911
	-		-
	-		176,549
	(2,903)		602,425
	-		100,712
	-		537,460
	139		184,053
	18,129		2,628,110
	6,840		464,875
	24,618		1,375,239
	-		-
	-		-
	44,233		357,375
	-		-
	-		-
	-		-
	(68,851)		-
	6,840		2,197,489
	11,289		430,621
	-		-
	-		-
	(139)		-
	-		-
	(139)		-
	-		18,900
	11,150		449,521
	-		1,422,985
	$ 11,150	$	1,872,506

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

	Budgeted Amount		Budgetary
	Original	Final	Basis
REVENUES			
Property taxes	$ 350,000	$ 350,000	$ 353,172
Fees and fines	-	-	-
Licenses and permits	-	-	-
Intergovernmental	2,368,500	2,368,500	602,567
Charges for services	-	-	-
Investment earnings	-	-	-
Miscellaneous	40,000	40,000	53,542
TOTAL REVENUES	2,758,500	2,758,500	1,009,281
EXPENDITURES			
General government	-	-	-
Public safety	-	-	-
Public works	932,797	932,797	357,457
Health, welfare and sanitation	-	-	-
Culture and recreation	-	-	-
Education	-	-	-
Debt Service:			
Principal	-	-	-
Interest and other charges	-	-	-
Capital outlay	2,720,246	2,720,246	622,394
TOTAL EXPENDITURES	3,653,043	3,653,043	979,851
Excess (deficiency) of revenues over expenditures	(894,543)	(894,543)	29,430
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	(894,543)	(894,543)	29,430
Fund Balances, October 1, 2023	1,169,517	1,169,517	1,169,517
FUND BALANCES, SEPTEMBER 30, 2024	$ 274,974	$ 274,974	$ 1,198,947

	GAAP Differences		GAAP Basis
	$ 8,861	$	362,033
	-		-
	-		-
	6,072		608,639
	-		-
	-		-
	6,102		59,644
	21,035		1,030,316
	-		-
	-		-
	92,655		450,112
	-		-
	-		-
	-		-
	-		-
	-		-
	(105,622)		516,772
	(12,967)		966,884
	34,002		63,432
	-		-
	-		-
	-		-
	-		-
	-		-
	-		-
	34,002		63,432
	-		1,169,517
	$ 34,002	$	1,232,949

CITY OF SHELLEY
BUDGET AND ACTUAL (WITH BUDGET TO GAAP DIFFERENCES)
STATE REVENUE SHARING
For the year ended September 30, 2024

	Budgeted Amount		Budgetary
	Original	Final	Basis
REVENUES			
Property taxes	$ -	$ -	$ -
Fees and fines	-	-	-
Licenses and permits	-	-	-
Intergovernmental	200,000	200,000	257,489
Charges for services	-	-	-
Investment earnings	-	-	-
Miscellaneous	-	-	-
TOTAL REVENUES	200,000	200,000	257,489
EXPENDITURES			
General government	106,000	106,000	-
Public safety	87,000	87,000	47,679
Public works	-	-	-
Health, welfare and sanitation	248,759	248,759	-
Culture and recreation	62,000	62,000	2,079
Education	-	-	-
Debt Service:			
Principal	-	-	-
Interest and other charges	-	-	-
Capital outlay	700,000	700,000	-
TOTAL EXPENDITURES	1,203,759	1,203,759	49,758
Excess (deficiency) of revenues over expenditures	(1,003,759)	(1,003,759)	207,731
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	(1,003,759)	(1,003,759)	207,731
Fund Balances, October 1, 2023	1,156,672	1,156,672	1,156,672
FUND BALANCES, SEPTEMBER 30, 2024	$ 152,913	$ 152,913	$ 1,364,403

GAAP Differences	GAAP Basis
$ -	$ -
-	-
-	-
708	258,197
-	-
-	-
-	-
708	258,197
-	-
(47,679)	-
-	-
-	-
1	2,080
-	-
46,750	46,750
929	929
254,453	254,453
254,454	304,212
(253,746)	(46,015)
254,453	254,453
-	-
-	-
-	-
254,453	254,453
-	-
707	208,438
-	1,156,672
$ 707	$ 1,365,110

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

	Budgeted Amount		Budgetary
	Original	Final	Basis
REVENUES			
Property taxes	$ -	$ -	$ -
Fees and fines	-	-	-
Licenses and permits	-	-	-
Intergovernmental	-	-	-
Charges for services	600,000	600,000	599,609
Investment earnings	-	-	-
Miscellaneous	-	-	-
TOTAL REVENUES	600,000	600,000	599,609
EXPENDITURES			
General government	-	-	-
Public safety	-	-	-
Public works	861,880	861,880	738,793
Health, welfare and sanitation	-	-	-
Culture and recreation	-	-	-
Education	-	-	-
Debt Service:			
Principal	-	-	-
Interest and other charges	-	-	-
Capital outlay	-	-	-
TOTAL EXPENDITURES	861,880	861,880	738,793
Excess (deficiency) of revenues over expenditures	(261,880)	(261,880)	(139,184)
OTHER FINANCING SOURCES (USES)			
Proceeds from capital leases	-	-	-
Other sources	-	-	-
Transfers in	-	-	50,000
Transfers out	-	-	-
TOTAL OTHER FINANCING SOURCES AND USES	-	-	50,000
SPECIAL ITEM			
Proceeds from sale of capital assets	-	-	-
Net change in fund balances	(261,880)	(261,880)	(89,184)
Fund Balances, October 1, 2023	268,718	268,718	268,718
FUND BALANCES, SEPTEMBER 30, 2024	$ 6,838	$ 6,838	$ 179,534

GAAP Differences	GAAP Basis
$ -	$ -
-	-
-	-
-	-
-	599,609
-	-
-	-
-	599,609
-	-
-	-
-	738,793
-	-
-	-
-	-
-	-
-	-
-	-
-	738,793
-	(139,184)
-	-
-	-
-	50,000
-	-
-	50,000
-	-
-	(89,184)
-	268,718
$ -	$ 179,534

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

	Budgeted Amount		Budgetary
	Original	Final	Basis
REVENUES			
Property taxes	$ -	$ -	$ -
Fees and fines	-	-	-
Licenses and permits	-	-	-
Intergovernmental	-	-	-
Charges for services	-	-	-
Investment earnings	-	-	-
Miscellaneous	-	-	-
TOTAL REVENUES	-	-	-
EXPENDITURES			
General government	-	-	-
Public safety	-	-	-
Public works	592,619	592,619	-
Health, welfare and sanitation	-	-	-
Culture and recreation	-	-	-
Education	-	-	-
Debt Service:			
Principal	-	-	-
Interest and other charges	-	-	-
Capital outlay	-	-	-
TOTAL EXPENDITURES	592,619	592,619	-
Excess (deficiency) of revenues over expenditures	(592,619)	(592,619)	-
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	(592,619)	(592,619)	-
Fund Balances, October 1, 2023	-	-	-
FUND BALANCES, SEPTEMBER 30, 2024	$ (592,619)	$ (592,619)	$ -

	GAAP Differences		GAAP Basis
	$ -		$ -
	-		-
	-		-
	-		-
	-		-
	-		-
	-		-
	-		-
	-		-
	-		-
	-		-
	-		-
	-		-
	-		-
	-		-
	-		-
	-		-
	-		-
	-		-
	-		-

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

1. The legally adopted budget for City of Shelley – 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. Debt payments are reclassified from general operating expense to show principal and interest portions of cash payments.

3. 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.

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COUNTRY CLUB ROAD URBAN RENEWAL AREA - STATE OF IDAHO
BUDGET AND ACTUAL (WITH BUDGET TO GAAP DIFFERENCES)
COMPONENT UNIT OF THE CITY OF SHELLEY, IDAHO
For the year ended September 30, 2024

	Budgeted Amount		Budgetary
	Original	Final	Basis
REVENUES			
Property taxes	$ 113,000	$ 113,000	$ 113,066
Fees and fines	-	-	-
Licenses and permits	-	-	-
Intergovernmental	-	-	-
Charges for services	-	-	-
Investment earnings	-	-	-
Miscellaneous	-	-	-
TOTAL REVENUES	113,000	113,000	113,066
EXPENDITURES			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health, welfare and sanitation	-	-	-
Culture and recreation	-	-	-
Education	-	-	-
Economic development	113,000	113,000	60,425
Debt Service:			
Principal	-	-	-
Interest and other charges	-	-	-
Capital outlay	-	-	-
TOTAL EXPENDITURES	113,000	113,000	60,425
Excess (deficiency) of revenues over expenditures	-	-	52,641
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	-	-	52,641
Fund Balances, October 1, 2023	482,547	482,547	482,547
FUND BALANCES, SEPTEMBER 30, 2024	$ 482,547	$ 482,547	$ 535,188

	GAAP Differences		GAAP Basis
	$ -	$	113,066
	-		-
	-		-
	-		-
	-		-
	-		-
	-		-
	-		113,066
	-		-
	-		-
	-		-
	-		-
	-		-
	-		-
	-		60,425
	-		-
	-		-
	-		-
	-		60,425
	-		52,641
	-		-
	-		-
	-		-
	-		-
	-		-
	-		-
	-		52,641
	-		482,547
	$ -	$	535,188

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COUNTRY CLUB ROAD URBAN RENEWAL AREA - STATE OF IDAHO
A COMPONENT UNIT OF THE CITY OF SHELLEY, IDAHO
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended September 30, 2024

1. The legally adopted budget for the Country Club Road Urban Renewal Area – 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 or infrastructure 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.

CITY OF SHELLEY - 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	0.0334878%	$ 440,980	$ 930,663	47.38%	91.38%
2016	0.0325563%	$ 659,966	$ 961,875	68.61%	87.26%
2017	0.0310210%	$ 487,597	$ 951,425	51.25%	90.68%
2018	0.0295223%	$ 435,459	$ 943,574	46.15%	91.69%
2019	0.0300260%	$ 342,738	$ 1,013,147	33.83%	93.79%
2020	0.0310074%	$ 720,033	$ 1,055,504	68.22%	88.22%
2021	0.0318779%	$ (25,177)	$ 1,175,426	-2.14%	100.36%
2022	0.0310368%	$ 1,222,465	$ 1,209,849	101.04%	83.09%
2023	0.0328064%	$ 1,309,195	$ 1,381,459	94.77%	83.83%
2024	0.0341375%	$ 1,276,962	$ 1,555,137	82.11%	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 SHELLEY - 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	$ 106,654	$ 106,654	$ -	$ 930,663	11.46%
2016	$ 107,572	$ 107,572	$ -	$ 939,016	11.46%
2017	$ 106,540	$ 106,540	$ -	$ 929,319	11.46%
2018	$ 108,951	$ 108,951	$ -	$ 950,685	11.46%
2019	$ 120,351	$ 120,351	$ -	$ 1,040,015	11.57%
2020	$ 135,423	$ 135,423	$ -	$ 1,120,735	12.08%
2021	$ 143,009	$ 143,009	$ -	$ 1,183,715	12.08%
2022	$ 148,332	$ 148,332	$ -	$ 1,227,671	12.08%
2023	$ 173,049	$ 173,049	$ -	$ 1,429,293	12.11%
2024	$ 197,196	$ 197,196	$ -	$ 1,601,819	12.31%

*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 SHELLEY - 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

SUPPLEMENTARY INFORMATION

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

	Street Lighting Fund	Combined L.I.D. Assessment Fund	Recreation Fund	Totals
ASSETS				
Cash	$ 213,335	$ 13,782	$ 27,668	$ 254,785
Receivables (net)				-
Property taxes	901	-	-	901
Sales tax	8,646	-	-	8,646
State motor users	-	-	-	-
Franchise tax	-	-	-	-
Assessments	-	-	-	-
TOTAL ASSETS	222,882	13,782	27,668	264,332
DEFERRED OUTFLOWS	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS	$ 222,882	$ 13,782	$ 27,668	$ 264,332
LIABILITIES				
Accounts payable	$ -	$ -	$ -	$ -
Accrued compensation	-	-	-	-
TOTAL LIABILITIES	-	-	-	-
DEFERRED INFLOWS				
Revenue unavailable for use	406	-	-	406
FUND BALANCES				
Assigned	222,476	13,782	27,668	263,926
TOTAL FUND BALANCES	222,476	13,782	27,668	263,926
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	$ 222,882	$ 13,782	$ 27,668	$ 264,332

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

	Street Lighting Fund	Combined L.I.D. Assessment Fund	Recreation Fund	Totals
REVENUES				
Taxes	$ 15,599	$ -	$ -	$ 15,599
Fees and fines	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental revenues	32,407	-	-	32,407
Entitlement	-	-	-	-
Charges for services	-	-	51,525	51,525
Investment earnings	-	193	-	193
Miscellaneous	16,557	-	-	16,557
TOTAL REVENUES	64,563	193	51,525	116,281
EXPENDITURES				
Administration	-	-	945	945
Maintenance	-	-	-	-
Parks and recreation	-	-	47,002	47,002
Snow and ice control	-	-	-	-
Trash	-	-	-	-
Street cleaning	-	-	-	-
Street lights	41,626	-	-	41,626
Traffic lights	1,797	-	-	1,797
Capital outlay	-	-	-	-
TOTAL EXPENDITURES	43,423	-	47,947	91,370
Excess of revenues over (under) expenditures	21,140	193	3,578	24,911
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	21,140	193	3,578	24,911
FUND BALANCES - October 1, 2023	201,336	13,589	24,090	239,015
FUND BALANCES - September 30, 2024	$ 222,476	$ 13,782	$ 27,668	$ 263,926

CITY OF SHELLEY - STATE OF IDAHO
COMBINING BALANCE SHEET - DEBT SERVICE FUNDS - NONMAJOR
September 30, 2024

	Sewer Bond Reserve Fund	Totals
ASSETS		
Restricted cash and cash equivalents	$ -	$ -
Receivables (net)		
Due from other funds	-	-
Deferred assessments	-	-
Delinquent assessments	-	-
TOTAL ASSETS	-	-
DEFERRED OUTFLOWS	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS	$ -	$ -
LIABILITIES		
Due to other funds	$ -	$ -
TOTAL LIABILITIES	-	-
DEFERRED INFLOWS		
Revenue unavailable for use	-	-
FUND BALANCE		
Restricted	-	-
TOTAL FUND BALANCE	-	-
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE	$ -	$ -

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

	Sewer Bond Reserve Fund	Totals
REVENUES		
Interest	$ -	$ -
Bond reserve revenue	10,628	10,628
Current assessments	-	-
TOTAL REVENUES	10,628	10,628
EXPENDITURES		
Bond interest	-	-
Bond principle	-	-
Other	487,350	487,350
TOTAL EXPENDITURES	487,350	487,350
Excess of revenues over (under) expenditures	(476,722)	(476,722)
OTHER FINANCING SOURCES (USES)		
Operating transfers in	-	-
Operating transfers out	(219,458)	(219,458)
TOTAL OTHER FINANCING SOURCES (USES)	(219,458)	(219,458)
Excess of revenues and other sources over (under) expenditures and other uses	(696,180)	(696,180)
FUND BALANCE - October 1, 2023	696,180	696,180
FUND BALANCE - September 30, 2024	$ -	$ -

CITY OF SHELLEY - STATE OF IDAHO
COMBINING BALANCE SHEET - PROPRIETARY FUNDS - NONMAJOR
September 30, 2024

	Water Reserve Fund	Sewer Reserve Fund	Totals
ASSETS			
Cash	$ 1,059,543	$ 588,266	$ 1,647,809
Receivables (net)			
Due from other funds	-	-	-
Deferred assessments	-	-	-
Delinquent assessments	-	-	-
TOTAL ASSETS	1,059,543	$ 588,266	1,647,809
DEFERRED OUTFLOWS	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS	$ 1,059,543	588,266	$ 1,647,809
LIABILITIES			
Accounts payable	$ -	$ -	$ -
TOTAL LIABILITIES	-	-	-
DEFERRED INFLOWS			
Revenue unavailable for use	-	-	-
FUND BALANCE			
Restricted	1,059,543	588,266	1,647,809
TOTAL FUND BALANCE	1,059,543	588,266	1,647,809
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE	$ 1,059,543	$ 588,266	$ 1,647,809

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

	Water Reserve Fund	Sewer Reserve Fund	Totals
REVENUES			
Bond reserve revenue	$ 69,130	$ 26,000	$ 95,130
TOTAL REVENUES	69,130	26,000	95,130
EXPENDITURES			
Administration	-	-	-
Miscellaneous	-	-	-
Capital outlay	-	-	-
TOTAL EXPENDITURES	-	-	-
Excess of revenues over (under) expenditures	69,130	26,000	95,130
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	69,130	26,000	95,130
FUND BALANCE - October 1, 2023	990,413	562,266	1,552,679
FUND BALANCE - September 30, 2024	$ 1,059,543	$ 588,266	$ 1,647,809

CITY OF SHELLEY - STATE OF IDAHO
COMBINING BALANCE SHEET - FIDUCIARY FUND TYPES - PRIVATE PURPOSE TRUST FUNDS
September 30, 2024

	Shelley Riverwalk Trust Fund	Totals
ASSETS		
Cash	$ 426	$ 426
Receivables (net)	-	-
Due from other funds	-	-
Construction in progress	-	-
TOTAL ASSETS	$ 426	$ 426
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts payable	$ -	$ -
Deferred revenue	-	-
TOTAL LIABILITIES	-	-
FUND BALANCES		
Unreserved	426	426
TOTAL FUND BALANCES	426	426
TOTAL LIABILITIES AND FUND BALANCES	$ 426	$ 426

CITY OF SHELLEY - STATE OF IDAHO
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FIDUCIARY FUND TYPES - PRIVATE PURPOSE TRUST FUNDS
For the Year Ended September 30, 2024

	Shelley Riverwalk Trust Fund	Totals
REVENUES		
Taxes	$ -	$ -
Fees and fines	-	-
Licenses and permits	-	-
Intergovernmental revenues	-	-
Entitlement	-	-
Charges for services	-	-
Investment earnings	-	-
Miscellaneous	-	-
TOTAL REVENUES	-	-
EXPENDITURES		
Administration	-	-
Maintenance	-	-
Parks and recreation	-	-
Snow and ice control	-	-
Trash	-	-
Street cleaning	-	-
Street lights	-	-
Traffic lights	-	-
Trust remittances	-	-
TOTAL EXPENDITURES	-	-
Excess of revenues over (under) expenditures	-	-
Other financing sources (uses):		
Capital distributions	-	-
Operating transfers in	-	-
Operating transfers out	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-
Excess of revenues and other sources over (under) expenditures and other uses	-	-
FUND BALANCES - October 1, 2023	426	426
FUND BALANCES - September 30, 2024	$ 426	$ 426

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OTHER SUPPLEMENTARY INFORMATION

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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 Shelley – State of Idaho
Shelley, 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, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Shelley, 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 May 14, 2025.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the City of Shelley, 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 Shelley's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Shelley'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 Shelley, 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. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests did not disclose any instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

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Idaho Falls • Rexburg

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
May 14, 2025