CITY OF TETONIA

BASIC FINANCIAL STATEMENTS AND REQUIRED SUPPLEMENTARY INFORMATION WITH INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDING SEPTEMBER 30, 2024

CITY OF TETONIA

Table of Contents
Year Ended September 30, 2024

	Page
Independent Auditor's Report on General Purpose Financial Statements	i-iii
GENERAL PURPOSE FINANCIAL STATEMENTS	
Statement of Net Position	1
Statement of Activities	2
Balance Sheet—Governmental Funds	3
Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Assets	4
Statement of Revenues, Expenditures and Changes in Fund Balance—Governmental Funds	5
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of the Governmental Funds to the Statement of Activities	6
Statement of Net Position—Proprietary Funds	7
Statement of Revenues, Expenses, and Changes in Fund Net Assets—Proprietary Funds	8
Statement of Cash Flows—Proprietary Funds	9
Notes to the Financial Statements	10-22
REQUIRED SUPPLEMENTAL INFORMATION	
Statement of Revenues, Expenditures and Changes In Fund Net Assets—Budget to Actual—General Fund	23
Schedule of Employer's Share of Net Pension Liability & Schedule of Employer Contributions	24-25
Notes to Required Supplemental Information	26
SUPPLEMENTAL INFORMATION	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based On an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*	27-28
Schedule of Audit Findings and Responses	29-30
Schedule of Prior Findings and Responses	31

JENSEN POULSEN & COMPANY, PLLC

CERTIFIED PUBLIC ACCOUNTANTS
P.O. BOX 50700
185 S. CAPITAL
IDAHO FALLS, IDAHO 83405-0700

ERNEST M JENSEN, M.B.A., C.P.A.
ROBERT B. POULSEN, C.P.A.
SHERI L. POULSEN, C.P.A.

TELEPHONE: (208) 522-2295
(208) 522-1330
FAX: (208) 522-2297

INDEPENDENT AUDITOR'S REPORT

To the Mayor and City Council
City of Tetonia, Idaho

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Tetonia, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City of Tetonia'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 Tetonia, as of September 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Tetonia's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Tetonia's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Tetonia's basic financial statements. The 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management has omitted the Management's Discussion and Analysis (MD&A) which is management's analysis of the City's financial activities based on currently known facts, decisions, or conditions, that accounting principles generally accepted in the United States of America requires to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Jensen Poulsen & Company, PLLC

JENSEN POULSEN & COMPANY, PLLC
Certified Public Accountants

Idaho Falls, ID
March 11, 2025

GENERAL PURPOSE FINANCIAL STATEMENTS

CITY OF TETONIA
Statement of Net Position
September 30, 2024

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash on hand and on deposit	$ 871,077	$ 447,914	$ 1,318,991
Cash, restricted for bond	-	62,364	62,364
Accounts receivable (net)	19,601	29,411	49,012
Prepaid expenses	5,037	211	5,248
Capital assets, net of depreciation	282,861	3,107,153	3,390,014
Capital assets, non-depreciable	41,100	616,805	657,905
Total assets	$ 1,219,676	$ 4,263,858	$ 5,483,534
DEFERRED OUTFLOWS OF RESOURCES			
Pension deferred outflows	$ 6,372	$ 9,966	$ 16,338
TOTAL ASSETS AND DEFERRED OUTFLOWS	$ 1,226,048	$ 4,273,824	$ 5,499,872
LIABILITIES			
Current liabilities			
Accounts payable	$ 24,420	$ 3,060	$ 27,480
Payroll liabilities	321	622	943
Customer deposits	-	-	-
Net pension liability	26,262	41,076	67,338
Current bond payable	-	35,481	35,481
Total current liabilities	$ 51,003	$ 80,239	$ 131,242
Long term debt			
Compensated absences	$ 1,493	$ 2,898	$ 4,391
Bonds payable	-	1,053,520	1,053,520
Total noncurrent liabilities	$ 1,493	$ 1,056,418	$ 1,057,911
Total liabilities	$ 52,496	$ 1,136,657	$ 1,189,153
DEFERRED INFLOWS OF RESOURCES			
Pension deferred inflows	$ -	$ -	$ -
NET POSITION			
Invested in capital assets, net of related debt	$ 323,961	$ 2,634,957	$ 2,958,918
Restricted			
Restricted for bond	-	62,364	62,364
Unrestricted	849,591	439,846	1,289,437
Total net position	$ 1,173,552	$ 3,137,167	$ 4,310,719

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

CITY OF TETONIA
Statement of Activities
For the Year Ended September 30, 2024

Activities:	Expenses	Program Revenues: Fees, Fines, and Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenue and Changes in Net Position: Governmental Activities	Net (Expenses) Revenue and Changes in Net Position: Business-Type Activities	Total
Governmental:							
General government	$ 174,486	$ -	$ -	$ 21,000	$ (153,486)		$ (153,486)
Streets and roads	22,318	-	47,807	-	25,489		25,489
Parks and recreation	22,480	1,560	-	-	(20,920)		(20,920)
Total governmental activities	$ 219,284	$ 1,560	$ 47,807	$ 21,000	$ (148,917)		$ (148,917)
Business-type activities:							
Water	$ 131,999	$ 117,429	$ 10,725	$ 13,188	$ -	$ 9,343	$ 9,343
Sewer	202,367	169,448	-	-	-	(32,919)	(32,919)
Total business-type activities	$ 334,366	$ 286,877	$ 10,725	$ 13,188.00	$ -	$ (23,576)	$ (23,576)
Total primary government	$ 553,650	$ 288,437	$ 58,532	$ 34,188	$ (148,917)	$ (23,576)	$ (172,493)
General revenues:							
Taxes -- property taxes levied for general purposes					$ 36,532	$ -	$ 36,532
Interest and investment earnings					47,600	4,219	51,819
State liquor revenue					12,543	-	12,543
State revenue sharing					42,544	-	42,544
Other miscellaneous revenues					22,948	-	22,948
Transfers					8,055	(8,055)	-
Net pension revenue (expense)					(5,193)	(2,580)	(7,773)
Total general revenues and transfers					$ 165,029	$ (6,416)	$ 158,613
Changes in net position					$ 16,112	$ (29,992)	$ (13,880)
Net position - beginning					1,157,440	3,167,159	4,324,599
Net position - ending					$ 1,173,552	$ 3,137,167	$ 4,310,719

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

CITY OF TETONIA
Balance Sheet
Governmental Funds
September 30, 2024

ASSETS		General Fund
Cash on hand and on deposit	$	871,077
Taxes receivable (net)		5,158
Account receivable (net)		14,443
Prepaid expenses		5,037
Total assets	$	895,715
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts payable	$	24,420
Accrued liabilities		321
Deferred revenues		24,912
Total liabilities	$	49,653
FUND BALANCE		
Nonspendable	$	-
Restricted		-
Committed		-
Assigned		-
Unassigned		846,062
Total fund balance	$	846,062
Total liabilities and fund balance	$	895,715

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

CITY OF TETONIA
Reconciliation of the Governmental Fund Balance Sheet
to the Statement of Net Position
September 30, 2024

Total Governmental Fund Balances		$ 846,062
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:		
Cost of capital assets	626,139	
Depreciation expense to date	(302,178)	323,961
Property taxes received that are not available to pay for current period expenses are deferred in the funds.		24,912
Compensated absences are not due and payable in the current period and therefore are not reported in the funds		(1,493)
GASB 68 requires the accrual of net pension assets and liabilities and the deferred inflows and outflows of resources related thereto.		
Net pension liability	(26,262)	
Pension related deferred inflows	-	
Pension related deferred outflows	6,372	(19,890)
Net Position of Governmental Activities		$ 1,173,552

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

CITY OF TETONIA
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended September 30, 2024

REVENUES	General Fund
Local Sources:	
Tax charges	$ 45,324
Interest earnings	47,600
Rental revenue	14,608
Grant revenue	21,000
Other / miscellaneous revenue	19,741
State Sources:	
Highway users	28,527
Revenue sharing	42,544
Liquor apportionment	12,543
Total revenue	$ 231,887
EXPENDITURES	
Administration	$ 168,636
Parks and recreation	22,826
Streets	43,823
Total expenditures	$ 235,285
Excess revenues over expenditures	$ (3,398)
OTHER FINANCING SOURCES AND USES:	
Transfers	8,055
Net change in fund balance	$ 4,657
Fund balances - beginning	841,405
Fund balances - ending	$ 846,062

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

CITY OF TETONIA
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances
of Governmental Funds to Statement of Activities
For the Year Ended September 30, 2024

Net changes in fund balances - total governmental funds		$ 4,657
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. This is the amount by which capital outlays exceeded depreciation in the current period.		
Capitalized assets	39,344	
Depreciation expense	(22,650)	16,694
Tax revenues are deferred and not recognized in the funds until they are available to pay for current period expenditures. In the Statement of Activities, however, they are recognized when levied. This is the difference between the amount deferred at the beginning and end of the current period.		
Deferred revenue - 2024	24,912	
Deferred revenue - 2023	(24,265)	647
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Compensated absences - 2024	(1,493)	
Compensated absences - 2023	800	(693)
GASB 68 requires the calculation of net pension revenue (expense), and the deferral of current contributions		
Current contributions	-	
Net pension revenue (expense)	(5,193)	(5,193)
Change in Net Position of Governmental Activities		$ 16,112

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

CITY OF TETONIA
Statement of Net Position
Proprietary Funds
September 30, 2024

ASSETS	Water Fund	Sewer Fund	Totals
Current Assets:			
Cash on hand and on deposit	$ 194,960	$ 252,954	$ 447,914
Cash, restricted for bond	-	62,364	62,364
Accounts receivable	4,823	24,588	29,411
Prepaid expense	211	-	211
Total current assets	$ 199,994	$ 339,906	$ 539,900
Noncurrent Assets:			
Capital assets, net of depreciation	$ 2,155,307	$ 951,846	$ 3,107,153
Capital assets, non-depreciable	-	616,805	616,805
Total noncurrent assets	$ 2,355,301	$ 1,908,557	$ 4,263,858
DEFERRED OUTFLOWS OF RESOURCES			
Pension deferred outflows	$ 4,901	$ 5,065	$ 9,966
TOTAL ASSETS AND DEFERRED OUTFLOWS	$ 2,360,202	$ 1,913,622	$ 4,273,824
LIABILITIES			
Current Liabilities:			
Accounts payable	$ 1,981	$ 1,079	$ 3,060
Payroll liabilities	311	311	622
Customer deposits	-	-	-
Net pension liability	20,201	20,875	41,076
Current bond payable	7,016	28,465	35,481
Total current liabilities	$ 29,509	$ 50,730	$ 80,239
Noncurrent Liabilities:			
Compensated absences payable	$ 1,449	$ 1,449	$ 2,898
Bonds payable	400,326	653,194	1,053,520
Total noncurrent liabilities	$ 401,775	$ 654,643	$ 1,056,418
Total liabilities	$ 431,284	$ 705,373	$ 1,136,657
DEFERRED INFLOWS OF RESOURCES			
Pension deferred inflows	$ -	$ -	$ -
NET POSITION			
Invested in capital assets, net of related debt	$ 1,747,965	$ 886,992	$ 2,634,957
Restricted for bond	-	62,364	62,364
Unrestricted	180,953	258,893	439,846
Total net position	$ 1,928,918	$ 1,208,249	$ 3,137,167

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

CITY OF TETONIA
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended September 30, 2024

	Water Fund	Sewer Fund	Totals
OPERATING REVENUE			
Consumer charges	$ 117,429	$ 169,448	$ 286,877
OPERATING EXPENSES			
Wages and payroll expenses	$ 30,944	$ 48,593	$ 79,537
Repairs and maintenance	11,666	51,744	63,410
Depreciation	61,800	37,077	98,877
Assessments and testing	878	4,832	5,710
Office, dues, and administrative expenses	3,161	16,961	20,122
Backup operator	1,100	2,200	3,300
Legal and professional	3,802	3,802	7,604
Telephone and utilities	8,276	7,001	15,277
Total operating expenses	$ 121,627	$ 172,210	$ 293,837
Operating income (loss)	$ (4,198)	$ (2,762)	$ (6,960)
NONOPERATING REVENUES (EXPENSES)			
Lease income	$ 23,913	$ -	$ 23,913
Net pension revenue/(expense)	(1,035)	(1,545)	(2,580)
Interest earnings	443	3,776	4,219
Interest paid	(10,372)	(30,157)	(40,529)
Total nonoperating revenue (expenses)	$ 12,949	$ (27,926)	$ (14,977)
Income (loss) before transfers	$ 8,751	$ (30,688)	$ (21,937)
Transfers in (out)	(8,093)	38	(8,055)
Change in net position	$ 658	$ (30,650)	$ (29,992)
NET POSITION			
Total net position - beginning	1,928,260	1,238,899	3,167,159
Total net position - ending	$ 1,928,918	$ 1,208,249	$ 3,137,167

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

CITY OF TETONIA
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2024

CASH FLOWS FROM OPERATING ACTIVITIES	Water Fund	Sewer Fund	Totals
Receipts from customers	$ 115,677	$ 169,606	$ 285,283
Payments to suppliers and employees	(60,458)	(137,727)	(198,185)
Net cash provided (used) by operating activities	$ 55,219	$ 31,879	$ 87,098
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Principal paid on capital debt	$ (7,556)	$ (32,207)	$ (39,763)
Interest paid on capital debt	(10,372)	(30,157)	(40,529)
Proceeds from grants	23,913	-	23,913
Purchase of capital assets	(128,672)	(17,436)	(146,108)
Transfers of funds for capital activities	(8,093)	38	(8,055)
Net cash provided (used) by capital and related financing activities	$ (130,780)	$ (79,762)	$ (210,542)
CASH FLOWS FROM INVESTMENT ACTIVITIES			
Interest and dividends	$ 443	$ 3,776	$ 4,219
Net increase in cash and cash equivalents	$ (75,118)	$ (44,107)	$ (119,225)
Balances -- Beginning of the year	270,078	359,425	629,503
Balances -- End of the year	$ 194,960	$ 315,318	$ 510,278
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	$ (4,198)	$ (2,762)	$ (6,960)
Adjustments to reconcile operating income to net cash provided (used) by operating activities			
Depreciation expense	61,800	37,077	98,877
Change in assets and liabilities			
Receivables, net	(1,752)	158	(1,594)
Accounts payable and other liabilities	(631)	(2,594)	(3,225)
Net cash provided (used) by operating activities	$ 55,219	$ 31,879	$ 87,098

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

The City of Tetonia consists of patrons from Teton County.

This report includes all of the funds/accounts of the City. It includes all activities considered to be part of the City under GASB Statement #2100, *Defining the Governmental Reporting Entity.* Activities include areas in which the City can assert its authority either directly or indirectly by financial means.

The City is organized and operates under the provisions of the Idaho Constitution and the Accounting policies and practices of the City conform to generally accepted accounting principles as applied to governments. The city's reporting entity applies all relevant *Governmental Accounting Standards Boards (GASB)* pronouncements. Proprietary funds and similar component units apply *Financial Accounting Standards Board's (FASB)* pronouncements and *Accounting Principal Board (APB)* opinions issued on or after November 30, 1989.

In the evaluation of how to define the City for the financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made using criteria set forth in the accounting principles generally accepted in the United States of America. All funds and activities of the City of Tetonia are included in the basic financial statements. Using the above criteria, the City has no component units.

B. BASIS OF PRESENTATION, BASIS OF ACCOUNTING

Basis of Presentation

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

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

B. BASIS OF PRESENTATION, BASIS OF ACCOUNTING, continued

Basis of Presentation, continued

Fund Financial Statements: The fund financial statements provide information about the City's funds. Separate statements for each fund category—*governmental* and *proprietary*—are presented. The emphasis of fund financial statements is on major governmental funds. All remaining governmental funds are aggregated and reported as non-major funds.

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

The City reports the following major governmental funds:

General Fund: The fund is established to account for resources devoted to financing the general services that the City performs. General tax revenues and other sources of revenue used to finance the fundamental operations of the City are included in this fund. This fund is charged with all costs of operating the City for which a separate fund has not been established.

The City reports the following major enterprise funds:

Water Fund: This fund accounts for the operation, maintenance, and development of water services to the patrons of the City.

Sewer Fund: This fund accounts for the operation, maintenance, and development of sewer services to the patrons of the City.

Measurement Focus, Basis of Accounting

Government-wide and Proprietary Fund Financial Statements. The government-wide and proprietary fund financial statements are reported using the economic resource measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Measurement Focus, Basis of Accounting, continued

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Property taxes, sales taxes, franchise taxes, licenses, and interest are considered to be susceptible to accrual.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financial sources.

Under the terms of grant agreements, the City funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the City's policy to first apply cost-reimbursement grant resources to such programs followed by general revenues.

All governmental and business-type activities of the City follow FASB Statements and Interpretations issued on or after November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

C. ASSETS, LIABILITIES, and EQUITY

Deposits and Investments

The City Clerk maintains checking accounts and certificates of deposit.

Cash and Cash Equivalents

The City considers cash and cash equivalents in proprietary funds to be cash on hand and demand deposits.

Receivables and Payables

All trade and property tax receivables are shown net of an allowance for uncollectible accounts receivable. Because property taxes attach as an enforceable lien after three years of delinquency, the City feels that all receivables are collectible.

Property Tax Calendar

Property taxes are levied in August of each year and become payable on December 20th, and on June 20th, of the following year for real property and personal property. Property taxes attach as an enforceable lien as of December 20th following the levy in August. Therefore, no amount has been set aside for an allowance for doubtful accounts. Property taxes collected after December 1, 2024 are classified as deferred revenue.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

C. ASSETS, LIABILITIES, and EQUITY, continued

Inventories and Prepaid Items

The City does not have any inventory items at September 30, 2024.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The City does not have any prepaid items at the end of the fiscal year.

Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated fair market value at the date of donation. General infrastructure assets acquired after July 1, 2001 are reported at cost or historical estimated cost. The Standards do not require us to retroactively restate general infrastructure assets acquired prior to July 1, 2001. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives
Infrastructure	30 - 50
Buildings and grounds	25 - 60
Improvements	10 - 50
Mobile equipment	5 - 30
Furniture, fixtures, and equipment	5 - 15

Net Position

Net position is the difference between assets and liabilities. Net position invested in capital assets, net of related debt are capital assets, less accumulated depreciation and any outstanding debt related to the acquisition, construction or improvements of those assets. Net position is reported as restricted when there are legal limitations that are imposed on their use by the City, or external restrictions by other governments, creditors or grantors. When expenses are incurred for purposes for which both restricted and unrestricted net position is available, restricted resources are applied first.

Fund Balance Reserves

Fund balance is categorized into five categories: non-spendable, restricted, committed, assigned, and unassigned. For the year ended September 30, 2024, the entire fund balance of $846,062 was unassigned. Unassigned funds are those which are available for any purpose.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

D. ASSETS, LIABILITIES, and EQUITY, continued

Risk Management

The City is exposed to a considerable number of risks of loss including but not limited to a) damage to and loss of property and contents, b) employee torts, c) professional liabilities, i.e. errors and omissions, d) environmental damage, e) workers compensation, i.e. employee injuries and f) medical insurance costs of its employees. Commercial insurance policies transferring the risk of loss, but for a relatively small deductible amount, are purchased for property and content damage, employee's torts and professional liabilities. Settlement claims resulting from these risks have not exceeded the insurance deductible provided for in the last three years.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the City 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 expenditures during the reporting period. Actual results could differ from those estimates.

Compensated Absences

The liability for compensated absences reported in the government-wide and proprietary fund statements consists of unpaid, accumulated vacation and sick leave balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included.

NOTE 2 DEPOSITS AND INVESTMENTS

Cash and investments for all funds consist of the following at year end:

Financial Institution	Bank Balance	Book Balance	FDIC Insured / Collateralized	Uninsured / Uncollateralized
Bank of Commerce:				
General Checking	$1,273,772	$ 1,273,772	$ 250,000	$ 1,023,772
Water Checking	14,500	14,500	-	14,500
Sewer Checking	9,663	9,663	-	9,663
Master Account	14,989	4,774	-	14,989
Total	$1,312,924	$ 1,405,576	$ 250,000	$ 1,062,924
Edward Jones:				
Certificates of Deposit	$ 78,646	$ 78,646	$ 78,646	$ -
Grand Total	**$1,391,570**	**$1,381,355**	**$ 328,646**	**$ 1,062,924**

NOTE 2 DEPOSITS AND INVESTMENTS, continued

Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. Of the bank balances, $250,000 was covered by federal depository insurance, leaving $1,062,924 at risk.

Cash in the amount of $62,364 has been temporarily restricted in the sewer fund for debt service, and represents the sum of one annual principal and interest payment for each bond.

NOTE 3 RECEIVABLES

Receivables at year end consist of the following:

	General Fund	Water Fund	Sewer Fund
Local Sources			
Local Taxes	$ 5,158	$ -	$ -
Other Local	-	4,823	24,588
Total Local	$ 5,158	$ 4,823	$ 24,588
State Sources			
State Revenues	$ 14,443	$ -	$ -
Total Receivable	$ 19,601	$ 4,823	$ 24,588

NOTE 4 INTERFUND RECEIVABLES AND PAYABLES

No inter-fund receivables or payables existed as of September 30, 2024.

NOTE 5 TRANSFERS AND INTERFUND ACTIVITY

The following interfund transfers were made during the fiscal year:

	Transfers To	Transfers From
General	$ 8,055	$ -
Water	-	8,093
Sewer	-	38

NOTE 6 CAPITAL ASSETS

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

Governmental Activities	Beginning Balance	Capital Acquisitions	Sales / Other Dispositions	Ending Balance
Non-depreciable Assets:				
Land	$ 41,100	$ -	$ -	$ 41,100
Work-in-progress	-	-	-	-
Depreciable Assets:				
Buildings & equipment	545,695	39,344	-	585,039
Total capital assets	586,795	39,344	-	626,139
Less: accumulated depreciation	279,528	22,650	-	302,178
Govt'l Activity capital assets, net	$ 307,267	$ 16,694	$ -	$ 323,961
Business-type Activities				
Non-depreciable Assets:				
Land	$ 616,805	$ -	$ -	$ 616,805
Depreciable Assets:				
Water Fund				
Buildings & equipment	$ 2,792,218	$ 103,774	$ -	$ 2,895,992
Work in progress	-	45,200	-	45,200
Total capital assets	2,792,218	148,974	-	2,941,192
Less: accumulated depreciation	724,084	61,800	-	724,084
Water capital assets, net	$ 2,068,134	$ 81,174	$ -	$ 2,068,134
Sewer Fund				
Buildings & equipment	$ 1,726,994	$ 17,436	$ -	$ 1,744,430
Less: accumulated depreciation	755,508	37,077	-	792,584
Sewer capital assets, net	$ 971,486	$ (19,640)	$ -	$ 951,846
Business-type capital assets, net	$ 3,656,425	$ 67,533	$ -	$ 3,723,959

Depreciation expense was charged to functions as follows:

General government	$ 22,650
Water fund	61,800
Sewer fund	37,077
Total Depreciation	$ 121,527

NOTE 7 LONG-TERM OBLIGATIONS

On February 4, 2009 and September 1, 2009 as part of the wastewater project the City issued new bonds in the amount of $750,000 and $300,000 respectively. The bonds constitute special obligations of the City solely secured by a lien on and pledge of the net revenues of the sewer system and do not constitute an indebtedness of the City within the meaning of the State Constitutional provisions or statutory limitations, nor a charge against the general credit or taxing power of the City.

The sewer revenue bonds of $750,000 are due each February 4 in annual payments of interest and principal. Interest is calculated at 4.50%. The loan matures February 4, 2039, and the balance as of September 30, 2024 is $494,356.

NOTE 7 LONG-TERM OBLIGATIONS, Continued

The sewer revenue bonds of $300,000 are due each September 9 in annual payments of interest and principal. Interest is calculated at 3.50%. The loan matures September 9, 2039, and the balance as of September 30, 2024 is $187,303.

On August 15, 2018 as part of an ongoing Water project the City issued a new bond in the amount of $450,000. The bond payments are due each August 15 in annual payments of interest and principal. Interest is calculated at 2.50%. The loan matures August 15, 2058, and the balance as of September 30, 2024 is $407,343.

The following summary recaps the changes in the City's long-term obligations for the year ended September 30, 2024:

Governmental-type activities	Beginning Balance	Additions	Subtractions	Ending Balance
Compensated absences	$ 800	$ 693	$ -	$ 1,493
Total governmental-type	$ 800	$ 693	$ -	$ 1,493
Business-type activities				
Sewer Bonds	$ 713,866	$ -	$ 32,207	$ 681,659
Water Bond	414,898	-	7,555	407,343
Compensated absences	1,552	1,346	-	2,898
Total business-type activities	$ 1,130,316	$ 1,346	$ 39,762	$ 1,091,899

Interest expense has been charged as follows:

Sewer Fund	$ 30,157
Water Fund	10,372
Total Interest	$ 40,529

The following schedule recaps the maturities of each obligation for the subsequent five years until termination of the obligations:

Business Activities	Total	2025	2026	2027	2028	2029	2030-2033	2034-2038	2039-2043	2044+
USDA 92-06	$ 494,356	$ 23,804	$ 24,875	$ 25,995	$ 27,164	$ 28,387	$ 126,909	$ 193,526	$ 43,697	$ -
USDA 92-08	187,303	9,758	10,100	10,453	10,819	11,198	48,851	71,319	14,805	-
USDA 91-10	407,343	7,744	7,938	8,136	8,340	8,548	36,385	50,838	57,518	221,895
Total	$ 1,089,002	$ 41,305	$ 42,913	$ 44,584	$ 46,323	$ 48,133	$ 212,144	$ 315,683	$ 116,020	$ 221,895

NOTE 8 DEFERRED REVENUE

During the year the City received $22,941 from the American Rescue Plan Act. Generally Accepted Accounting Principles state this money should not be recognized as income until it has been spent. Until the funds can be recognized as revenue they will be held as deferred revenue.

NOTE 9 PENSION ACTIVITY

Plan Description

The City of Tetonia 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. Amounts in parenthesis represent police/firefighters.

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

Member and Employer Contributions

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

NOTE 9 PENSION ACTIVITY, Continued

The contribution rates for employees are set by stature at 60% (72%) of the employer rate. As of June 30, 2024 it was 7.16% (8.81%). The employer contribution rate is set by the Retirement Board and was 11.94% (12.28%) of covered compensation. The City of Tetonia's contributions were $11,805 for the year ended September 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 of Tetonia 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 of Tetonia's proportion of the net pension liability was based on the City of Tetonia'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 of Tetonia's proportion was .0018002 percent.

For the year ended September 30, 2024, the City of Tetonia recognized pension expense (revenue) of $7,773 At September 30, 2024 the City of Tetonia 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	$ 10,721	$ -
Changes in assumptions or other inputs	2,668	
Net difference between projected and actual earnings on pension plan investments	(1,222)	-
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	-	-
Contributions subsequent to the measurement date	1,151	-
TOTAL	$ 13,318	$ -

$1,151 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 June 30, 2023 the beginning of the measurement period ended June 30, 2024 is 4.8 years.

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

Year ended September 30, 2024:	
2025	$ 3,324
2026	$ 12,555
2027	$ (2,165)
2028	$ (1,548)

NOTE 9 PENSION ACTIVITY, Continued

Actuarial Assumptions

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

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

Inflation	2.30%
Salary Increases	3.05%
Salary inflation	3.05%
Investment rate of return	6.35%, net of investment expenses
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 General Tables, increased 12%
Teachers – Females Pub-2010 General Tables, increased 21%
Fire and Police – Males Pub-2010 General Tables, increased 21%
Fire and Police – Females Pub-2010 General Tables, increased 26%
Disabled Members – Males Pub-2010 General Tables, increased 38%
Disabled Members – Females Pub-2010 General 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, 2021.

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.

NOTE 9 PENSION ACTIVITY, Continued

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

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

	2024	
Asset Class	DB Plans	Sick Leave
Fixed Income	30.0%	50.0%
US/Global Equity	55.0%	39.3%
International Equity	15.0%	10.7%
Cash	0.0%	0.00%
Total	100%	100%

NOTE 9 PENSION ACTIVITY, Continued

Discount Rate

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

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

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

	1% Decrease (5.35%)	Current Discount Rate (6.35%)	1% Increase (7.35%)
Proportionate share of the net pension liability (asset)	127,964	41,076	17,823

Pension plan fiduciary net position

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

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

NOTE 10 SUBSEQUENT EVENTS

Subsequent events were evaluated through the date the financial statements were available, March 11, 2025. No subsequent events occurred which would require disclosure.

NOTE 11 RELATED PARTY TRANSACTIONS

The City has not been involved in any related party transactions that would merit disclosure.

NOTE 12 COMMITMENTS AND CONTINGENCIES

The City does not have any other contingent liabilities as of September 30, 2024. The City has not been involved in any litigation and is not currently involved in any litigation that will have a material effect on the financial statements.

REQUIRED SUPPLEMENTAL INFORMATION

CITY OF TETONIA
Statement of Revenues, Expenditures and Changes in Fund Net Position -
Budget to Actual - General Fund
For the Year Ended September 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Local Sources:				
Tax charges	$ 44,430	$ 44,430	$ 45,324	$ 894
Interest earnings	2,000	2,000	47,600	45,600
Rental revenue	3,278	3,278	14,608	11,330
Grant revenue	150,000	150,000	21,000	(129,000)
Other / miscellaneous revenue	8,500	8,500	19,741	11,241
State Sources:				
Highway users	23,901	23,901	28,527	4,626
Revenue sharing	37,016	37,016	42,544	5,528
Sales tax apportionment	-	-	-	-
Liquor apportionment	13,535	13,535	12,543	(992)
Total revenue	$ 282,660	$ 282,660	$ 231,887	$ (50,773)
EXPENDITURES				
Administration	$ 138,010	$ 138,010	$ 168,636	$ (30,626)
Parks and recreation	13,600	13,600	22,826	(9,226)
Streets and roads	232,827	232,827	43,823	189,004
Total expenditures	$ 384,437	$ 384,437	$ 235,285	$ 149,152
Excess revenue over expenditures	$ (101,777)	$ (101,777)	$ (3,398)	$ 98,379
OTHER FINANCING SOURCES (USES)				
Operating transfers in (out)	$ -	$ -	$ 8,055	$ 8,055.00
Change in net position	$ (101,777)	$ (101,777)	$ 4,657	$ 106,435
FUND BALANCE				
Beginning balance	841,405	841,405	841,405	-
Ending balance	$ 739,628	$ 739,628	$ 846,062	$ 106,435

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

CITY OF TETONIA
SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY
PERSI - Base Plan
Last 10 Fiscal Years

	2020	2021	2022	2023	2024
City of Tetonia portion of the net pension liability	0.0023337%	0.0018392%	0.0019002%	0.0018029%	0.0018002%
City of Tetonia proportionate share of the net pension liability	54,192	(1,453)	74,844	71,948	67,338
City of Tetonia covered-employee payroll	84,917	76,062	54,775	84,131	103,780
City of Tetonia proportional share of the net pension liability as a percentage of its covered-employee payroll	63.82%	-1.91%	136.64%	85.52%	64.89%
Plan fiduciary net position as a percentage of the total pension liability	88.22%	100.36%	83.09%	83.83%	85.54%

- Data reported is measured as of June 30, 2024

City of Tetonia portion of the net pension liability	2015	2016	2017	2018	2019
City of Tetonia proportionate share of the net pension liability	0.0019190%	0.0017703%	0.0019961%	0.0017608%	0.0018818%
City of Tetonia covered-employee payroll	25,270	35,887	31,375	25,972	21,480
City of Tetonia proportional share of the net pension liability as a percentage of its covered-employee payroll	55,004	52,980	63,438	63,887	63,061
Plan fiduciary net position as a percentage of the total pension liability	45.94%	67.74%	49.46%	40.65%	34.06%
	91.38%	87.26%	90.68%	91.69%	93.79%

- Data reported is measured as of June 30, 2024

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

CITY OF TETONIA
SCHEDULE OF EMPLOYER CONTRIBUTIONS
PERSI - Base Plan
Last 10 Fiscal Years

	2020	2021	2022	2023	2024
Statutorily required contribution	$ 9,156	$ 7,262	$ 8,799	$ 7,874	$ 11,709
Contributions in relation to the statutorily required contribution	$ 10,050	$ 8,294	$ 9,053	$ 9,264	$ 9,980
Contribution (deficiency) excess	$ 894	$ 1,032	$ 254	$ 1,390	$ (1,729)
Employer's covered-employee payroll	$ 82,754	$ 68,357	$ 74,612	$ 76,347	$ 82,329
Contributions as a percentage of covered-employee payroll	12.14%	12.13%	12.13%	12.13%	12.12%

- Data reported is measured as of June 30, 2024

	2015	2016	2017	2018	2019
Statutorily required contribution	$ 6,277	$ 5,262	$ 6,731	$ 6,838	$ 7,201
Contributions in relation to the statutorily required contribution	$ 6,440	$ 5,913	$ 7,113	$ 6,500	$ 7,341
Contribution (deficiency) excess	$ (163)	$ 651	$ 382	$ (338)	$ 140
Employer's covered-employee payroll	$ 53,561	$ 51,258	$ 61,671	$ 56,353	$ 63,643
Contributions as a percentage of covered-employee payroll	12.02%	11.54%	11.53%	11.53%	11.53%

- Data reported is measured as of June 30, 2024

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

CITY OF TETONIA

Notes to Required Supplemental Information
September 30, 2024

NOTE 1 BUDGETS AND BUDGETARY ACCOUNTING

The Idaho Constitution and the Idaho State Tax Commission prescribe the budget process and procedures for governmental subdivisions. The City has satisfied the basic requirements prescribed in the following particulars:

a. Formulation of subsequent year budget requirements by City officials and personnel.
b. Perusal of formulated budgets by City officials.
c. Presentation of preliminary and final budget requirements in formal news media of the City.
d. Open hearings to permit taxpayer input before such budgets are formally adopted.

Subsequent control of budgets following adoption is accomplished through a budget-expenditures control system with interim status accounting and reporting made available to officials and employees for management purposes. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). All annual appropriations lapse at the end of the fiscal year.

NOTE 2 PENSION

The City of Tetonia contributes to 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.

During the fiscal year ended September 30, 2024, there were no changes of benefit terms, neither was there any significant change in the composition of the population covered by the benefit terms. All assumptions used in actuarial calculations were not significantly different from those used in the past.

SUPPLEMENTAL INFORMATION

JENSEN POULSEN & COMPANY, PLLC

CERTIFIED PUBLIC ACCOUNTANTS
P.O. BOX 50700
185 S. CAPITAL
IDAHO FALLS, IDAHO 83405-0700

ERNEST M JENSEN, M.B.A., C.P.A.
ROBERT B. POULSEN, C.P.A.
SHERI L. POULSEN, C.P.A.

TELEPHONE: (208) 522-2295
(208) 522-1330
FAX: (208) 522-2297

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

Mayor and City Council
City of Tetonia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Tetonia, Idaho, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City of Tetonia's basic financial statements and have issued our report thereon dated March 11, 2025.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting 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's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Tetonia's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses. (2024-01)

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. We consider the deficiencies described in the accompany schedule of findings and questioned costs to be significant deficiencies. (2024-02)

Compliance

As part of obtaining reasonable assurance about whether the City of Tetonia'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 disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards.*

The City of Tetonia's response to those findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The City of Tetonia's response was not subject to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Jensen Poulsen & Company, PLLC

JENSEN POULSEN & COMPANY, PLLC
Certified Public Accountants
Idaho Falls, Idaho
March 11, 2025

CITY OF TETONIA

Schedule of Audit Findings and Responses
September 30, 2024

FINDINGS—FINANCIAL STATEMENT AUDIT

A. MATERIAL WEAKNESSES

2024-01—Inadequate functional review and processing of financial transactions

Condition: Various accounting errors existed that had not been identified nor corrected in a timely manner.

Criteria: Inherent in an adequate control environment over financial accounts is a review process that is intended to identify and correct errors in the processing of financial transactions.

Effect: During the course of our audit we noted instances of missing and misrecorded transactions.

Recommendation: We recommend continued training.

Response: Management recognizes the need for accurate accounting records and the clerk is getting additional help from the City of Driggs.

B. SIGNIFICANT DEFICIENCIES

2024-02—Segregation of duties

Condition: The City is experiencing a lack of segregation of duties over cash transactions.

Cause: The condition is the result of staffing limitations compelled by budgetary constraints common to a City this size.

Effect: The lack of an ideal segregation of duties may increase the risk that loss of assets would not be detected and prevented in a timely manner and in the normal course of operations.

Recommendation: While substantial changes cannot be expected until the condition is adequately mitigated, the City should be actively engaged in devising compensating control policies and procedures.

Response: The City recognizes the lack of segregation of duties and is currently reviewing accounting procedures and policies to improve financial functions.

CITY OF TETONIA

Schedule of Prior Findings and Responses
September 30, 2024

Findings on Prior Findings:

FINDINGS—FINANCIAL STATEMENT AUDIT

A. MATERIAL WEAKNESS

2023-01—Inadequate functional review and processing of financial transactions

Current status: Current year finding. See 2024-1.

B. SIGNIFICANT DEFICIENCIES

2023-02—Segregation of duties

Current status: Current year finding. See 2024-2.

THIS PAGE INTENTIONALLY LEFT BLANK