WORKMAN & COMPANY | Office of Accounting

2190 Village Park Avenue, Suite 300 • Twin Falls, ID 83301 • 208.733.1161 • Fax: 208.733.6100

June 13, 2025

To the Honorable Mayor and City Council
City of Victor, Idaho
Victor, Idaho

We have audited the financial statements of the City of Victor, Idaho for the year ended September 30, 2024, and have issued our report thereon dated June 13, 2025. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated October 14, 2024 our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Planned Scope and timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, We will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the City of Victor are described in Note 1 to the financial statements. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The only estimate affecting the financial statements was estimated useful lives of property and equipment.

We evaluated the key factors and assumptions used to develop the useful lives of property and equipment in determining that it is reasonable in relation to the financial statements taken as a whole.

Continued—

The disclosures in the financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performed the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatement

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Some misstatements were discovered during the audit. We proposed adjusting journal entries to management in order to correct the misstatements. Management has reviewed and approved all of those adjusting entries.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 13, 2025.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards with management each year prior to retention as the City's auditor. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Mayor, City Council and management of the City of Victor, Idaho and is not intended to be and should not be used by anyone other than these specified parties.

Workman & Company

WORKMAN AND COMPANY
Certified Public Accountants

CITY OF VICTOR IDAHO

Financial Statements

Year Ended September 30, 2024

WORKMAN & COMPANY | Office of Accounting

2190 Village Park Avenue, Suite 300 • Twin Falls, ID 83301 • 208.733.1161 • Fax: 208.733.6100

INDEPENDENT AUDITOR'S REPORT

June 13, 2025

To the City Council
City of Victor, Idaho
Victor, Idaho

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and the aggregate discretely presented component unit of the City of Victor, 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 Victor, Idaho'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, and the aggregate discretely presented component unit of the City of Victor, Idaho, as of September 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Victor, Idaho, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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 Victor, Idaho'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 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 judgement 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 Victor, Idaho'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 Victor, Idaho'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 planning 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, budgetary comparison information, and post-employment information on pages 25 - 29 be presented to supplement the basic financial statements. Management has omitted a management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information. 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 13, 2025, on our consideration of the City of Victor, Idaho's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Workman & Company

Certified Public Accountants
Twin Falls, Idaho

CITY OF VICTOR, IDAHO
Statement of Net Position
at September 30, 2024

	Governmental Activities	Business-type Activities	Total Primary Government	Component Unit Urban Renewal Agency
ASSETS				
Cash and Deposits	$ 5,595,400	$ 5,841,987	$ 11,437,387	
Accounts Receivable	634,414	177,376	811,790	
Taxes Receivable	147,369		147,369	
Due From Other Governments	117,259		117,259	
Restricted and Asssigned Cash		191,786	191,786	$ 230,580
Due From Other Funds	0		0	
Other Assets and Inventory	0	0	0	
Totals	6,494,442	6,211,149	12,705,591	230,580
Capital Assets:				
Land	815,914	180,866	996,780	
Construction in Progress		0	0	
Infrastructure	4,985,418	10,934,799	15,920,217	
Buildings and Improvements	3,247,859	1,605,079	4,852,938	
Equipment and Vehicles	573,107	971,546	1,544,653	
Accumulated Deprecation	(2,894,872)	(5,818,483)	(8,713,355)	
Total Capital Assets	6,727,426	7,873,807	14,601,233	0
Total Assets	13,221,868	14,084,956	27,306,824	230,580
Deferred Outflows of Resources and Pension Assets:				
Deferred Outflows from Pensions Activity	130,980	76,458	207,438	0
LIABILITIES				
Accounts and Payroll LiabilitiesPayable	1,070,222	212,600	1,282,822	
Refundable User Deposits			0	
Due To Other Funds			0	
Long-term Liabilities:				
Portion due or payable within one year:				
Loans Payable	216,145	525,566	741,711	15,461
Portion due or payable after one year:				
Loans Payable	1,461,867	2,419,716	3,881,583	151,224
Premium on Bond Refunding		0	0	
Net Pension Liability	291,419	384,549	675,968	
Compensated Absences	19,689	22,122	41,811	
Total Liabilities	3,059,342	3,564,553	6,623,895	166,685
Deferred Inflows of Resources:				
Deferred Inflows from leases and assessments	406,401	0	406,401	0
NET POSITION				
Invested in Capital Assets - net of related debt	5,049,414	4,928,525	9,977,939	
Restricted For:				
Debt Service		191,786	191,786	
Other Purposes				63,895
Unrestricted	4,837,691	5,476,550	10,314,241	
Total Net Position	$ 9,887,105	$ 10,596,861	$ 20,483,966	$ 63,895

The accompanying notes are a part of these financial statements.

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

Activities:	Expenses	Program Revenues: Fees, Fines, and Charges for Services	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenues and Changes in Net Position: Governmental Activities	Net (Expense) Revenues and Changes in Net Position: Business Type Activities	Net (Expense) Revenues and Changes in Net Position: Total	Component Unit - Urban Renewal Agency
Governmental:							
Governmental Activities	$ 1,675,911	$ 330,818	$ 794,479	$ (550,614)		$ (550,614)	
Parks and Streets	558,166			(558,166)		(558,166)	
Capital Projects	1,877,289			(1,877,289)		(1,877,289)	
Debt service	96,375			(96,375)		(96,375)	
Unallocated Depreciation	304,148			(304,148)		(304,148)	
Total Governmental Activities	4,511,889	330,818	794,479	(3,386,592)		(3,386,592)	
Business Type:							
Water	581,518	1,522,770			$ 941,252	941,252	
Wastewater	828,479	1,609,560			781,081	781,081	
Irrigation	18,858	54,742			35,884	35,884	
Interest	327,603				(327,603)	(327,603)	
Depreciation	382,279				(382,279)	(382,279)	
Total Business-type Activities	2,138,737	3,187,072	0		1,048,335	1,048,335	
Total City of Rupert, Idaho	$ 6,650,626	3,517,890	$ 794,479	(3,386,592)	1,048,335	(2,338,257)	
Component Units:							
Urban Renewal Agency	$ 0						$ 0
Total							0
General Revenues:							
State of Idaho liquor receipts				99,286		99,286	
State highway user collections				214,560		214,560	
State of Idaho shared revenue				257,613		257,613	
State of Idaho sales tax revenue				1,087,781		1,087,781	
Highway Road and Bridge tax				139,309		139,309	
Franchises, licenses, permits				99,086		99,086	
City Property Assessments				719,688		719,688	
Penalty collection and delinquent notices				0		0	
Earnings on investments				469,809		469,809	
County court fines				0		0	
Gain on sale of assets						0	
Miscellaneous				508,519	0	508,519	
Premium Earned on Bonds				0	0	0	
Gain (Loss) on Pension Activity				(89,692)	(33,368)	(123,060)	
Interest				0		0	
Total general revenues and transfers				3,505,959	(33,368)	3,472,591	0
Changes in net position				119,367	1,014,967	1,134,334	0
Net Position - Beginning				9,767,738	9,581,894	19,349,632	63,895
Net Position - Ending				$ 9,887,105	$ 10,596,861	$ 20,483,966	$ 63,895

The accompanying notes are a part of these financial statements.

CITY OF VICTOR, IDAHO
Balance Sheet
Governmental Funds
at September 30, 2024

	General Fund	Road & Bridge Fund	Capital Projects Fund	Local Option Tax Fund	Non-Major (Improvement & Impact Fund)	Total Governmental Funds
ASSETS:						
Cash and Cash Deposits	$ 2,296,858	$ 1,414,765	$ 706,716	$ 682,842	$ 494,219	$ 5,595,400
Taxes Receivable	18,379			128,990		147,369
Due From Other Governments	89,795	27,464				117,259
Due From Other Funds	0	(183,368)	183,368			0
Other Receivables	450,065		182,146		2,203	634,414
Total Assets	$ 2,855,097	$ 1,258,861	$ 1,072,230	$ 811,832	$ 496,422	$ 6,494,442
LIABILITIES:						
Cash Deficit	$	$	$	$	$	$ 0
Accounts Payable	70,639	27,107	169,614	289,799	498,945	1,056,104
Accrued Labor Payable	9,295	4,823				14,118
Total Liabilities	79,934	31,930	169,614	289,799	498,945	1,070,222
DEFERRED INFLOWS OF RESOURCES:						
Unavailable Revenue - Assessment	9,324					9,324
Unavailable Revenue - Leases	397,077					397,077
Total Deferred Inflows of Resources	406,401	0	0	0	0	406,401
FUND BALANCE:						
Non-spendable						0
Restricted						0
Committed						0
Assigned		1,226,931	902,616	522,033		2,651,580
Unassigned	2,368,762				(2,523)	2,366,239
Total Fund Balance	2,368,762	1,226,931	902,616	522,033	(2,523)	5,017,819
Total Liabilities and Fund Balance	$ 2,855,097	$ 1,258,861	$ 1,072,230	$ 811,832	$ 496,422	

Amounts reported for governmental activities in the Statement of Net Position (page 11) are different because:

Governmental fund capital assets are not financial resources and therefore are not reported in the funds. The cost of assets is $ 9,622,298 and the accumulated depreciation is $ 2,894,872	6,727,426
Long-term liabilities, including bonds and compensated absences are not payable in the current period and therefore are not reported in the governmental funds	(1,697,701)
Pension activity is not reported in the government funds	(160,439)
Net Position of Governmental Funds	$ 9,887,105

The accompanying notes are a part of these financial statements.

CITY OF VICTOR, IDAHO
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
for the year ended September 30, 2024

	General Fund	Road & Bridge Fund	Capital Projects Fund	Local Option Tax Fund	Non-Major (Improvement & Impact Fund)	Total Governmental Funds
REVENUE:						
Property Taxes	$ 580,379	$ 139,309	$	$	$	$ 719,688
Franchises, licenses, permits	14,651				84,435	99,086
State of Idaho shared revenue	257,613					257,613
State of Idaho and sales tax	0			1,087,781		1,087,781
State of Idaho liquor receipts	99,286					99,286
State highway user collections		214,560				214,560
Fees, fines, and charges for services	268,588		62,230			330,818
Grants and contributions	65,415	692,037	37,027			794,479
Earnings on investments	469,809					469,809
Gain on Sale of Assets						0
Miscellaneous	500		459,262	48,757		508,519
Admin costs paid by Utility Funds	0					0
Total Revenue	1,756,241	1,045,906	558,519	1,136,538	84,435	4,581,639
EXPENDITURES:						
Salary and Wages	613,357	229,856				843,213
Administration	107,026					107,026
Professional fees	148,032					148,032
Maintenance and Utilities	137,074	328,310	19,833	503,531	84,435	1,073,183
Contributions	36,750					36,750
Community Events	25,963					25,963
Insuance	35,015					35,015
Community Development	34,433					34,433
Miscellaneous	0					0
Capital outlay	0		512,593	1,551,538		2,064,131
						0
Total Expenditures	1,137,650	558,166	532,426	2,055,069	84,435	4,367,746
EXCESS REVENUE (EXPENDITURES)	618,591	487,740	26,093	(918,531)	0	213,893
OTHER FINANCING SOURCES (USES):						
Operating transfers from other funds	52,500	243,857				296,357
Operating transfers (to) other funds	0			(296,357)		(296,357)
NET CHANGE IN FUND BALANCES	671,091	731,597	26,093	(1,214,888)	0	213,893
FUND BALANCE - BEGINNING	1,697,671	495,334	876,523	1,734,921	(2,523)	4,801,926
FUND BALANCE - ENDING	$ 2,368,762	$ 1,226,931	$ 902,616	$ 520,033	$ (2,523)	$ 5,015,819

The accompanying notes are a part of these financial statements.

CITY OF VICTOR, 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

Net Change in Fund Balance - Total Governmental Funds (Page 14)	$	213,893
Governmental funds report capital outlays as current year expenditures. In the Statement of Activities the cost of these assets is allocated over their estimated useful lives as depreciation expense. This is the amount of current capital outlay for new fixed assets.		
This is the amount of current year depreciation.		304,148
This is the amount of new assets paid in the Government Funds.		(206,675)
This is the amount of disposed of Governmental Fund assets.		0
Long term liabilities are not recorded in the Governmental funds. Principal and interest paid on capital debt are recorded as expenditures in the Governmental Funds. Principal amounts paid are not recorded as expenditures in the Statement of Net Position.		
This is the amount of current principal/premium adjustments on capital debt.		(102,307)
Gain (Loss) on Pension Activity		(89,692)
Some property taxes will not be collected for several months after the City's fiscal year end. They are not considered available revenues in the governmental funds, but are recorded as deferred tax revenues. However, they are recorded as revenues in the Statement of Activities.		
This is the change in deferred revenue in the current year.		0
Change in Net Position of Governmental Activities (Page 12)	$	119,367

The accompanying notes are a part of these financial statements.

CITY OF VICTOR, IDAHO
Statement of Net Position
Proprietary Funds
at September 30, 2024

Assets:	**Water Fund**	**Wastewater Fund**	**Irrigation Fund**	**Totals**
Current Assets:				
Cash and Deposits	$ 2,481,157	$ 3,302,322	$ 58,508	$ 5,841,987
Accts receivable - customers	82,939	94,437	0	177,376
Inventory	0		0	0
	2,564,096	3,396,759	58,508	6,019,363
Restricted Current Assets:				
Cash and Deposits	95,893	95,893	0	191,786
Total Current Assets	2,659,989	3,492,652	58,508	6,211,149
Capital Assets:				
Plant and equipment	8,481,257	5,211,033		13,692,290
Accumulated depreciation	(3,830,326)	(1,988,157)		(5,818,483)
Net Plant and equipment	4,650,931	3,222,876	0	7,873,807
Total Assets	7,310,920	6,715,528	58,508	14,084,956
Deferred Outflows of Resources and Net Pension Asset:				
Deferred Outflows from Pensions	38,164	38,294		76,458
Liabilities:				
Current Liabilities:				
Accounts and Other Accrued Payables	38,799	161,976		200,775
Accrued Payroll Payable	5,912	5,913		11,825
Due To Other Funds				0
Customer Deposits				0
Current portion long-term debt	341,618	183,948		525,566
Total current liabilities	386,329	351,837	0	738,166
Noncurrent Liabilities:				
Bonds and Captial Leases Payable	1,595,273	824,443		2,419,716
Net Pension Liability	191,947	192,602		384,549
Compensated Absences Payable	11,061	11,061		22,122
Total noncurrent liabilities	1,798,281	1,028,106	0	2,826,387
Total Liabilities	2,184,610	1,379,943	0	3,564,553
Deferred Inflows of Resources:				
Deferred Inflows from Pensions	0	0	0	0
Net Position:				
Investment in capital assets net of related debt	2,714,040	2,214,485	0	4,928,525
Restricted	95,893	95,893	0	191,786
Unrestricted	2,354,541	3,063,501	58,508	5,476,550
Total Net Position	$ 5,164,474	$ 5,373,879	$ 58,508	$ 10,596,861

The accompanying notes are a part of these financial statements.

CITY OF VICTOR, IDAHO
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
for the year ended September 30, 2024

	Water Fund	Wastewater Fund	Irrigation Fund	Totals
Operating Revenues:				
Charges for services	$ 1,515,189	$ 1,609,560	$ 54,742	$ 3,179,491
Miscellaneous	7,581	0	0	7,581
Total Operating Revenue	1,522,770	1,609,560	54,742	3,187,072
Operating Expenses:				
Salaries and benefits	274,692	274,812	5,968	555,472
Administrative and supplies	8,119	42,598	97	50,814
Operations and maintenance	251,880	505,453	12,793	770,126
Utilities	46,827	5,616	0	52,443
Depreciation	235,087	147,192	0	382,279
Total Operating Expenses	816,605	975,671	18,858	1,811,134
Net Operating Income	706,165	633,889	35,884	1,375,938
Nonoperating Revenues (Expenses):				
Interest Income				0
Interest Expense	(276,326)	(51,277)		(327,603)
Grants				0
Gain on Sale of Assets				
Gain (Loss) on Pension Activity	(18,390)	(14,978)		(33,368)
Total Nonoperating	(294,716)	(66,255)	0	(360,971)
Income before transfers	411,449	567,634	35,884	1,014,967
Transfers in				0
Transfers out				0
Net Income	411,449	567,634	35,884	1,014,967
Total Net Position - Beginning	4,753,025	4,806,245	22,624	9,581,894
Total Net Position - Ending	$ 5,164,474	5,373,879	$ 58,508	$ 10,596,861

The accompanying notes are a part of these financial statements.

CITY OF VICTOR, IDAHO
Statement of Cash Flows
Proprietary Funds
for the year ended September 30, 2024

	Water Fund	Wastewater Fund	Irrigation Fund	Total
Cash Flows From Operating Activities:				
Receipts from customers	$ 1,515,189	$ 1,609,560	$ 54,742	$ 3,179,491
Payments to suppliers	(297,723)	(504,043)	(12,890)	(814,656)
Payments to employees	(283,866)	(284,227)	(5,968)	(574,061)
Payments to General Fund for Administration				0
Other receipts	7,581			7,581
Net cash provided (used) by operations	941,181	821,290	35,884	1,798,355
Cash Flows From Capital and Related Financing Activities:				
Purchase and construction of capital assets	(516,453)	(83,725)		(600,178)
Principal paid on capital debt	(104,731)	(279,504)		(384,235)
Interest paid on capital debt	(276,326)	(51,277)		(327,603)
Net cash provided (used) by capital and related financing activities	(897,510)	(414,506)	0	(1,312,016)
Cash Flows From Investing Activities:				
Due to other funds				0
Transfers In/(Out)				0
Interest Income				0
Net cash provided (used) by investing	0	0	0	0
Net Increase (Decrease) in Cash and Deposits	43,671	406,784	35,884	486,339
Balances - Beginning of the year	2,533,379	2,991,431	22,624	5,547,434
Balances - Ending of the year	2,577,050	$ 3,398,215	$ 58,508	$ 6,033,773
Displayed as:				
Pooled Cash and Investments	2,481,157	3,302,322	58,508	5,841,987
Restricted Assets	95,893	95,893		191,786
Balances - Ending of the year	2,577,050	$ 3,398,215	$ 58,508	$ 6,033,773
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:				
Operating Income	706,165	633,889	35,884	1,375,938
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation expense	235,087	147,192		382,279
Changes in assets and liabilities:				
Receivables, net	0	0		0
Accounts and other payables	(71)	40,209		40,138
Transfers in (out)				0
Change in inventory and customer deposits	0			0
Net Cash Provided (Used) by Operating Activity	941,181	$ 821,290	$ 35,884	$ 1,798,355

The accompanying notes are a part of these financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Introduction

The financial statements of the City of Victor {the "City") have been prepared in accordance with accounting principles generally accepted in the United States {GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles and policies utilized by the City are described below:

Reporting Entity

The City is governed by an elected Mayor and City Council which together possess the final decision-making authority and is held primarily accountable for those decisions. The City Council is responsible for approving the budget, establishing spending limitations, funding and deficits and borrowing funds and/or issuing bonds to finance construction.

Discretely Presented Component Unit. In conformity with generally accepted accounting principles, the basic financial statements of Victor Urban Renewal Agency are required to be included in the financial reporting entity as a discretely presented component unit, emphasizing their nature as a legally separate entity from the City.

Victor Urban Renewal Agency {the Agency). This component unit has a board, which is appointed by the Mayor of the City with the advice and consent of the Victor City Council. The Victor Urban Renewal Agency rehabilitates deteriorating or deteriorated areas. It has a fiscal year end of September 30. For financial reporting purposes, the City of Victor, Idaho, combines the general maintenance and operating accounts of the Agency with all other funds which the management of the City has oversight responsibility and the governing authority to significantly influence operations.

There are no other boards, councils, or component units for which the City of Victor exercises authority.

(A) Basis of Presentation – Basis of Accounting

Basis of Presentation:

For this reporting period, the City has conformed its financial statement model to *Governmental Auditing Standards Board (GASB) Statement No. 34*. This model presents the financial statements as follows:

Government-wide Statements: The statement of net position and the statement of activities display information about the primary government (the City). These statements distinguish between the *governmental* and *business-type activities* of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange 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.

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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.

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 and enterprise funds, each displayed in a separate column.

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. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

The City reports the following governmental funds:

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

The City reports the following enterprise funds:

Water, Wastewater, and Irrigation Funds. These funds account for the operation, maintenance, and development of the City's electrical distribution system, water and waste-water facilities, and sanitation collection.

Discretely Presented Component Unit

The Component unit column in the financial statements includes the financial data of the City's only discretely presented component unit, the Victor Urban Renewal Agency. It is reported in a separate column to emphasize that it is separate from the City's operations.

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 resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange 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.

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.

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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 financing sources.

Budgets and Budgetary Accounting. The City adheres to City budget requirements in Title 50, Chapter 10 of the Idaho Code. The provisions of this chapter include the following procedures to establish budgetary data which is reflected in these financial statements:

A. Prior to certifying the tax levy to the County Commissioners, and prior to passing the annual appropriation ordinance, a public meeting shall be held to adopt a budget by a favorable vote of a majority of the members of the council.
B. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles. Uncommitted appropriations lapse at year end.
C. There are no provisions in Title 50, Chapter 10 for budget augmentations.

Entity Classifications.

A. City-Wide Financial Statements – The City reports net position in three categories – invested in capital assets, restricted and unrestricted.

B. Fund Financial Statements – The City has adopted GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions" (GASB 54) which defines how fund balances of the governmental funds are presented in the financial statements. There are five classifications of fund balances as presented below:

Non-spendable – These funds are not available for expenditures based on legal or contractual requirements. In this category, one would see inventory, long-term receivables, unless proceeds are restricted, committed, or assigned and legally or contractually required to be maintained intact (corpus or a permanent fund).

Restricted – These funds are governed by externally enforceable restrictions. In this category, one would see restricted purpose grant funds, debt service or capital projects.

Committed – Fund balances in this category are limited by the governments' highest level of decision making. Any changes of designation must be done in the same manner that it was implemented and should occur prior to end of the fiscal year, though the exact amount may be determined subsequently.

Assigned – These funds are intended to be used for specific purposes, intent is expressed by governing body or an official delegated by the governing body.

Unassigned – This classification is the default for all funds that do not fit into the other categories. This, however, should not be a negative number for the general fund. If it is, the assigned fund balance must be adjusted.

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Order of Use of Fund Balance – The City's policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance and unassigned fund balance at the end of the fiscal year. For all funds, non-spendable fund balances are determined first and then restricted fund balances for specific purposes are determined.

Allocation of Indirect Expenses. The City allocates indirect expense, primarily comprised of central governmental services, to operating functions and programs benefiting from those services. Central services include overall City management, centralized budgetary formulation and oversight, accounting, financial reporting, payroll, procurement contracting and oversight, investing and cash management, personnel services, and other central administrative services. Allocations are charged to programs based on use of central services determined by various allocation methodologies. As a matter of policy, certain functions that use significant central services are not charged for the use of these services. These functions or programs include police, fire, and certain divisions with public services and parks.

(B) Assets, Liabilities, and Equity

Deposits and Investments

The cash balances of substantially all funds are pooled and deposited in either US Bank or the funds individually invest in the State of Idaho Treasurer's Office for the purpose of increasing earnings through investment activities. The State Investment Pool amounts are reported at fair value at September 30 of each year based on market prices. The individual funds' portions of the bank balance and fair value of the State Investment Pool are presented as "Cash and Deposits". Earnings from the State Investments Pool are credited each month in the individual funds where the account is reported.

Cash and Deposits

The City considers cash and deposits in proprietary funds to be cash on hand. In addition, because the State Treasury Pool is sufficiently liquid to permit withdrawal of cash at any time without prior notice or penalty, equity in the pool is also deemed to be a deposit.

Receivables and Payable

All trade and property tax receivables are shown net of an allowance for uncollectibles.

Property Tax Calendar

Property taxes are levied each November based on the assessed value of property as listed on the previous September tax rolls. Assessed values are an approximation of market value. The Minidoka County Assessor establishes assessed values. Property tax payments are due in one-half installments in December and June. Property taxes become a lien on the property when it is levied.

Budgetary Data

Prior to September 1, the City Administrator submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1.

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The operating budget includes proposed expenditures and the means of financing them. After reviewing the preliminary budget, the Council sets a public budget hearing to obtain taxpayer comments. Prior to October 1, the budget is legally enacted through passage of an ordinance.

Each fund's appropriated budget is prepared on a detailed line-item basis. Revenues are budgeted by source. Expenditures are budgeted by department. Budget revisions at this level are subject to final review by the City Council. The legal level of control is by department within a fund. Expenditures may not exceed appropriations at this level. Within these control levels, management may transfer appropriations without Council approval. All annual appropriations lapse at year end. Budgetary data is prepared on the basis of accounting used by a particular fund as explained above. However, only current period payments on capital leases are budgeted, not the full capitalized lease amounts. Depreciation for the proprietary funds is not budgeted; however, an allowance for capital outlay is included in budgeted expenditures.

Once approved, the City Council may amend the legally adopted budget when unexpected modifications are required in estimated revenues and appropriations.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Inventory

Inventories in governmental funds are considered to be immaterial and are not reported. Proprietary fund inventories are recorded at the lower of cost or market on a first-in, first-out basis.

Capital Assets

Purchased or constructed capital assets used in operations with an initial useful life that extends beyond one year are capitalized. Infrastructure assets such as roads and bridges are also capitalized. They are reported net of accumulated depreciation on the Statement of Net Assets. The City capitalizes assets in excess of $5,000.

Under the requirements of *GASB Statement No. 34*, the City is considered a Phase 3 government, as its total annual revenues are less than $10 million. Such governments are not required to report major general infrastructure assets retroactively. Accordingly, the City has determined not to retroactively report this type of capital asset.

Capital assets are recorded at their historical cost and are depreciated using the straight-line method of depreciation over the following estimated useful lives:

Asset Class	Estimated Useful Lives
Infrastructure	30
Buildings	50
Building Improvements	20
Vehicles	5-15
Office Computer and Other Equipment	3-15

Continued

Compensated Absences

The liability for compensated absences reported in the government-wide and proprietary fund statements consists of unpaid, accumulated annual vacation and sick leave balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently 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.

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 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.

Deferred Outflows/Inflows of Resources

In 2007, the Governmental Accounting Standards Board (GASB) released Concepts Statement No. 4 *Elements of Financial Statements* which provides a framework for determining the nature of financial accounting or reporting issues. Since the release of the framework, GASB has been looking at the assets and liabilities on the balance sheet to determine if they should continue to be reflected as such. GASB has concluded that, in order to improve financial reporting, there are assets and liabilities that no longer should be reflected as assets and liabilities. These changes are included in the recently issued GASB Statement No. 65, *Items Previously Reported as Asset and Liabilities.*

These changes include two new items that are reflected on the Statement of Net Position.

- Deferred outflow of resources – the current *consumption* of net assets that is applicable to a *future* reporting period.
- Deferred inflows of resources – the current *acquisition* of net assets that is applicable to a *future* reporting period.

The City's financial statements may report a separate section for deferred inflows of resources which reflects an increase in resources that applies to a future period.

NOTE 2 – CASH AND DEPOSITS

Deposits: Custodial credit risk, in the case of deposits, is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The City has no deposit policy for custodial credit risk. At year end, $ 5,078,104 of the City's bank balances were exposed to custodial credit risk because it was not covered by the FDIC.

Investments: Custodial credit risk, in the case of investments, is the risk that in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At year end, the City held the following investments:

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Investment Type

Idaho State Local Government Investment Pool $ 5,707,799

These investments are unrated external investment pools sponsored by the Idaho State Treasurer's Office. They are classified as "Investments in an External Investment Pool" and are exempt from custodial credit risk and concentration of credit risk reporting. Interest rate risk is summarized as follows: Asset-backed securities are reported using weighted average life to more accurately reflect the projected term of the security, considering interest rates and repayment factors.

The elected Idaho State Treasurer, following Idaho Code, Section 67-2328, is authorized to sponsor an investment pool in which the City voluntarily participates. The Pool is not registered with the Securities and Exchange Commission or any other regulatory body. Oversight of the Pool is with the State Treasurer, and Idaho Code defines allowable investments. All investments are entirely insured or collateralized with securities held by the Pool or by its agent in the Pool's name. The fair value of the City's position in the external investment Pool is the same as the value of the Pool shares.

Credit Risk: The City's policy is to comply with Idaho State statutes which authorize the City to invest in obligations of the United States, obligations of the State or any taxing district in the State, obligations issued by the Farm Credit System, obligations of public corporations of the State of Idaho, repurchase agreements, tax anticipation notes of the State or taxing district in the State, time deposits, savings deposits, revenue bonds of institutions of higher education, and the State Treasurer's Pool.

Interest rate risk and concentration of *credit risk:* The City has no policy regarding these two investment risk categories.

The City maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is presented on the combined balance sheet as "Cash and Deposits".

Cash and Deposits are comprised of the following at the financial statement date:

Cash on Hand	$ 0
Deposits with financial institutions:	
Demand deposits	2,049,179
Brokerage Accounts	3,872,537
State of Idaho Investment Pool	5,707,799
Total	$ 11,616,747

NOTE 3 – DELINQUENT TAXES RECEIVABLE

Property taxes are levied in November of each year and due in two equal installments at December 20 and June 20 following the levy date. If payment is not received upon the due dates, a 2% penalty is charged, and taxes are classified as past due subject to 12% interest.

Delinquent taxes not paid within 60 days of year-end are recorded as deferred revenue in the governmental fund financial statements. In the government-wide financial statements, property taxes receivable and related revenue include all amounts due the City regardless of when cash is received. Over time, substantially all property taxes are collected. Although small amounts of delinquent taxes

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are collected within 60 days following the close of the City's fiscal year, the City feels secure in the right of the County to take tax deeds on property for the collection of real property taxes. Therefore, an allowance for uncollectible taxes receivable has not been established and would be immaterial.

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the current year ended was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental Activities:				
Capital Assets not being depreciated:				
Land	$ 815,914	$	$	$ 815,914
Construction in Progress	1,429,158		(1,429,158)	0
Total	2,245,072	0	(1,429,158)	815,914
Capital Assets being depreciated:				
Buildings & Improvements	1,818,701	1,429,158		3,247,859
Infrastructure	3,702,164			3,702,164
Parks	631,255			631,255
Vehicles and Equipment	366,432	206,675		573,107
Right of Use Assets	651,999			651,999
Total	7,170,551	1,635,833	0	8,806,384
Less: Accumulated Depreciation:	2,590,724	304,148		2,894,872
Total Net Depreciated Assets	4,579,827	1,331,685	0	5,911,512
Governmental capital assets, net	$ 6,824,899	$ 1,331,685	$ (1,429,158)	$ 6,727,426
Business-type activities:				
Capital Assets not being depreciated:				
Land	$ 180,866	$	$	$ 180,866
Water Rights	290,000			290,000
Construction in Progress	768,296		(768,296)	0
Total	1,239,162	0	(768,296)	470,866
Capital Assets being depreciated:				
Buildings & Improvements	102,140	1,502,939		1,605,079
Infrastructure	10,644,799			10,644,799
Vehicles and Equipment	924,100	47,446		971,546
Total	11,671,039	1,550,385	0	13,221,424
Less: Accumulated Depreciation	5,255,338	563,145		5,818,483
Total Net Depreciated Assets	6,415,701	987,240	0	7,402,941
Business-type capital assets, net	$ 7,654,863	$ 987,240	$ (768,296)	$ 7,873,807

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NOTE 5 - BONDS PAYABLE

Governmental Funds:

Compensated Absences - The City's benefits include a provision for compensated absences. The liability for this benefit is liquidated by the fund in which the employee is paid from.

Notes Payable - On August 25, 2023, the City entered into a lease purchase agreement for 138 N. Main Street for $600,000. The lease agreement has been amortized using a discount rate of 5.75%. The agreement requires quarterly payments for 5 years of $34,733.

In November 2022, the City closed a note with Zion's Bank for $1,400,000 at a rate of 3.89%. The agreement requires semi-annual payments for 5 years of principal and interest. These funds are for the construction of the public works facility and are managed via an escrow account with Zions. The cost has been split across water, sewer, and the local option tax funds equally. The amounts for the water and sewer funds are shown in the Business-Type Enterprise section below.

Business-Type Enterprise Funds:

On May 15, 2006, the City issued water revenue bonds through Department of Environmental Quality for $2,000,000 at 3.5%. The bonds require semi-annual payments for 20 years of $69,944.

On July 28, 2014, the City issued water revenue bonds through Department of Environmental Quality for $2,000,000 at 1.75%. The bonds require semi-annual payments for 20 years of $59,485.

On June 21, 2016, the City closed a note with the City of Driggs for their portion of the sewer interceptor for $1,073,264 at 0.0%. The bonds require semi-annual payments for 20 years of $26,831.

The City is required to establish at the time of the issuance of the bond a reserve fund in an amount equal to 1 year's payment of principal and interest and the City has $191,786 in reserve as of the year ended September 30, 2024.

NOTE 6 – CAPITAL LEASES

Lease Obligation - The City has several lease agreements. Depreciation expense of assets held under the lease obligations are described as right of use assets and included in the total depreciation as disclosed in Note 3.

City as lessee
The terms and expiration dates of the City's leases payable at September 30, 2024, follow:

On December 15, 2021, the City entered into a space lease agreement with U.S. Bank for office space. The lease agreement is for 120 months with a renewal option for an additional 120 months, which the City intends to use. Required base monthly rent is $2,541 with a 3% increase starting on the fourth anniversary and each month thereafter until termination. The lease liability is calculated using an interest **rate** of 1.38%

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City as lessor
The City, as a lessor, has entered into a lease agreement with AT&T Tower land space. The lease requires AT&T to pay a monthly payment. The base rent amount for 2022 was $4,052 with a 3% increase on the anniversary day of the lease, which is of each year. The rent receivable is calculated at a discount rate of 1.36% . The total amount of inflows of resources, including lease revenue, interest revenue, and other lease-related inflows recognized during the fiscal year was $49,230. This total includes $- of variable and other payments not previously included in the measurement of the lease receivable.

NOTE 7 – LITIGATION

The City, at the financial statement date, is not involved in any material litigation as either defendant or plaintiff.

NOTE 8 – RISK MANAGEMENT

The City is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; injuries to the general public; and natural disasters. The City carries commercial insurance coverage for these risks to the extent deemed prudent by the City Council. The City is also protected by the Idaho Tort Claims Act, which limits exposure to tort claims against the City.

NOTE 9 – VICTOR URBAN RENEWAL AGENCY

The component unit column in the combined financial statements includes the financial data of the Victor Urban Renewal Agency, the City's only discretely presented component unit. It is reported in a separate column to emphasize that it is legally separate from the City in accordance with State Urban Renewal law. The Agency has authority to construct public improvements including the acquisition of public right-of-way within the blighted area legally designated as the redevelopment district. The City appoints the governing board of the Agency. The Agency derives its funding from tax increment financing.

NOTE 10 – DRIGGS WASTEWATER AGREEMENT

The City is participating in an inter-city agreement with the City of Driggs for the treatment of wastewater from the City of Victor. Under this agreement, the City of Victor assists in the repayment of a bond taken by the City of Driggs for the upgrade and reconstruction of their current wastewater treatment plant in order to increase their capacity based on the 2014 annual flow or $151,985 per year. In addition, the City of Victor agreed to cover a portion of monthly operations of this plant in a cost-sharing agreement. The agreement started in October 2011 and extends for 20 years from the date thereof with 2 options to extend for an additional 5 years each.

The City of Driggs assesses and collects based on every 1,000 gallons of flow received each month.

In the event of further capital improvements, the City of Victor can choose to participate in the payment of expenditures based on a cost-,sharing plan, or to have the City of Driggs pass through a proportionate share of debt related to the capital improvements.

The City of Driggs has a fiscal year end of September 30. Financial statements are available at the City of Driggs website at *www.driggsidaho.org/finance.*

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NOTE 11 – EMPLOYEE RETIREMENT PLAN

Plan Description
The City of Victor 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 services (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 or 6%, whichever is less; however, any amount above the 1% minimum is subject to review by the Idaho Legislature.

Member and Employer Contributions

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

The contribution rates for employees are set by statute at 60% of the employer rate for general employees. As of June 30, 2024, it was 6.71% for general employees. The employer contribution rate, as a percent of covered payroll, is set by the Retirement Board and was 11.18% for general employees. The City's contributions were $ 107,933 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.

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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 0.0175600 percent.

For the year ended September 30, 2024, the City recognized pension expense (revenue) of $118,615. 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	$ 0	$ 0
Changes in assumptions or other inputs	$ 27,602	
Net difference between projected and actual earnings on pension plan investments	$ 110,929	
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	$ (26,983)	
City's contributions subsequent to the measurement date	$ 26,983	
Total	$ 138,531	$ 0

$ 26,983 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, 2025.

The average of the expected remaining service lives of all employees that are provided with pensions through the System (active and inactive employees) determined at July 1, 2024, the beginning of the measurement period ended June 30, 2023, is 4.6 and 4.6 for the measurement period June 30, 2024.

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

Year ended September 30, 2024:

2025	$ 42,056
2026	$ 129,911
2027	$ (22,403)
2028	$ (16,013)

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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, 2022, 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%

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%
Disabled Members - Males Pub-2010 Disabled Tables, increased 38%
Disabled Members - Females Pub-2010 Disabled Tables, increased 36%

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

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

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

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2024

	DB Plans	Sick Leave
Asset Class		
Fixed Income	30.00%	50.00%
US/Global Equity	55.00%	39.30%
International Equity	15.00%	10.70%
Cash	0.00%	0.00%

Discount Rate

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

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

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

	1% Decrease (5.35%)	**Current Discount Rate (6.35%)**	**1% Increase (7.35%)**
Employer's proportionate share of the net pension liability (asset)	$ 689,785	$ 696,753	$ 703,721

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

NOTE 12 – SUBSEQUENT EVENTS

Subsequent events were evaluated through the audit report date.

REQUIRED
SUPPLEMENTARY INFORMATION

CITY OF VICTOR, IDAHO
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual -- General Fund
for the year ended September 30, 2024

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUE:				
Property Taxes	$ 582,579	$ 582,579	$ 580,379	$ (2,200)
Franchises, licenses, permits	10,000	10,000	14,651	4,651
State of Idaho shared revenue	276,584	276,584	257,613	(18,971)
State of Idaho sales tax	0	0	0	0
State of Idaho liquor receipts	100,000	100,000	99,286	(714)
State highway user collections	0	0		0
Fees, fines, and charges for services	166,000	166,000	268,588	102,588
Grants and contributions	65,929	65,929	65,415	(514)
Earnings on investments	0	0	469,809	469,809
Gain on Sale of Assets				0
Miscellaneous	0	0	500	500
Administrative costs paid by Utility Funds	0	0	0	0
Total Revenue	1,201,092	1,201,092	1,756,241	555,149
EXPENDITURES:				
Salary and Wages	705,200	705,200	613,357	91,843
Administration	130,466	130,466	107,026	23,440
Professional fees	122,300	122,300	148,032	(25,732)
Maintenance and Utilities	146,299	146,299	137,074	9,225
Contributions	36,750	36,750	36,750	0
Community Events	38,065	38,065	25,963	12,102
Insuance	30,512	30,512	35,015	(4,503)
Community Development	44,000	44,000	34,433	9,567
Miscellaneous	0	0	0	0
Capital outlay	0	0	0	0
Total Expenditures	1,253,592	1,253,592	1,137,650	115,942
EXCESS REVENUE (EXPENDITURES)	(52,500)	(52,500)	618,591	671,091
OTHER FINANCING SOURCES (USES):				
Operating transfers from other funds	52,500	52,500	52,500	0
Operating transfers (to) other funds	0	0	0	0
NET CHANGE IN FUND BALANCES	0	0	671,091	671,091
FUND BALANCE - BEGINNING	1,697,671	1,697,671	1,697,671	0
FUND BALANCE - ENDING	$ 1,697,671	$ 1,697,671	$ 2,368,762	$ 671,091

CITY OF VICTOR, IDAHO
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual -- Streets & Roads
for the year ended September 30, 2024

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUE:				
Property Taxes	$ 0	$ 0	$ 0	$ 0
State highway user collections	145,011	145,011	214,560	69,549
County Road Levy	193,948	193,948	139,309	(54,639)
Fees, fines, and charges for services	0	0		0
Grants and contributions	0	0	692,037	692,037
Earnings on investments	0	0		0
Miscellaneous				0
Total Revenue	338,959	338,959	1,045,906	706,947
EXPENDITURES:				
Personnel expense	251,104	251,104	229,856	21,248
Operations and Maintenance	325,591	325,591	317,170	8,421
Street Lights	6,121	6,121	11,140	(5,019)
Capital outlay				0
Total Expenditures	582,816	582,816	558,166	24,650
EXCESS REVENUE (EXPENDITURES)	(243,857)	(243,857)	487,740	731,597
OTHER FINANCING SOURCES (USES):				
Operating transfers from other funds	243,857	243,857	243,857	0
Operating transfers (to) other funds	0	0	0	0
NET CHANGE IN FUND BALANCES	0	0	731,597	731,597
FUND BALANCE - BEGINNING	495,334	495,334	495,334	0
FUND BALANCE - ENDING	$ 495,334	$ 495,334	$ 1,226,931	$ 731,597

CITY OF VICTOR, IDAHO
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual -- Capital Projects
for the year ended September 30, 2024

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUE:				
Property Taxes	$ 0	$ 0	$ 0	$ 0
Franchises, licenses, permits	0	0	0	0
Depot Income	61,380	61,380	62,230	850
Grants and contributions	496,658	496,658	37,027	(459,631)
Miscellaneous	35,408	35,408	459,262	423,854
Total Revenue	593,446	593,446	558,519	(34,927)
EXPENDITURES:				
Depot Operation	41,380	41,380	18,399	22,981
Operations and Maintenance	0	0	1,434	(1,434)
Capital outlay	552,066	552,066	512,593	39,473
Contingency				0
Total Expenditures	593,446	593,446	532,426	61,020
EXCESS REVENUE (EXPENDITURES)	0	0	26,093	26,093
OTHER FINANCING SOURCES (USES):				
Operating transfers from other funds				0
Operating transfers (to) other funds				0
NET CHANGE IN FUND BALANCES	0	0	26,093	26,093
FUND BALANCE - BEGINNING	876,523	876,523	876,523	0
FUND BALANCE - ENDING	$ 876,523	$ 876,523	$ 902,616	$ 26,093

CITY OF VICTOR, IDAHO
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual -- Local Option Tax Fund
for the year ended September 30, 2024

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUE:				
Local Option Taxes	$ 1,182,300	$ 1,182,300	$ 1,087,781	$ (94,519)
Earnings on investments				0
Miscellaneous			48,757	48,757
Total Revenue	1,182,300	1,182,300	1,136,538	(45,762)
EXPENDITURES:				
Law Enforcement	67,400	67,400	45,070	22,330
Affordable Housing	132,300	132,300	25,982	106,318
Pathway & Sidwalks	48,452	48,452	32,190	16,262
Parks	87,033	87,033	21,670	65,363
City Improvements	447,004	447,004	378,619	68,385
Public Works Facility	103,754	103,754	1,551,538	(1,447,784)
Total Expenditures	885,943	885,943	2,055,069	(1,169,126)
EXCESS REVENUE (EXPENDITURES)	296,357	296,357	(918,531)	(1,214,888)
OTHER FINANCING SOURCES (USES):				
Operating transfers from other funds	0	0	0	0
Operating transfers (to) other funds	(296,357)	(296,357)	(296,357)	0
NET CHANGE IN FUND BALANCES	0	0	(1,214,888)	(1,214,888)
FUND BALANCE - BEGINNING	1,734,921	1,734,921	1,734,921	0
FUND BALANCE - ENDING	$ 1,734,921	$ 1,734,921	$ 520,033	$ (1,214,888)

CITY OF VICTOR, IDAHO
PUBLIC EMPLOYEE PENSION INFORMATION
For the year ended September 30, 2024

Required Supplementary Information

Schedule of Employer's Share of Net Pension Liability
PERSI - Base Plan
Last 10 - Fiscal Years

	2019	2018	2017	2016	2015
Employer's portion of the net pension liability	0.0175600%	0.0168000%	0.0172800%	0.0164700%	0.0165700%
Employer's proportionate share of the net pension liability	$ 200,416	$ 247,860	$ 271,612	$ 333,158	$ 218,158
Employer's covered-employee payroll	$ 625,456	$ 533,365	$ 530,362	$ 487,381	$ 468,612
Employer's proportional share of the net pension liability as a percentage of its covered-employee payroll	32.04%	46.47%	51.21%	68.36%	46.55%
Plan fiduciary net position as a percentage of the total pension liability	93.79%	91.69%	90.68%	87.26%	91.38%

	2024	2023	2022	2021	2020
Employer's portion of the net pension liability	0.0186265%	0.0183400%	0.0169100%	0.0193500%	0.0182500%
Employer's proportionate share of the net pension liability (Asset)	$ 696,753	$ 731,918	$ 666,050	$ (15,282)	$ 423,896
Employer's covered-employee payroll	$ 965,411	$ 779,837	$ 667,690	$ 721,880	$ 660,565
Employer's proportional share of the net pension liability (Asset) as a percentage of its covered-employee payroll	72.17%	93.86%	99.75%	-2.12%	64.17%
Plan fiduciary net position as a percentage of the total pension liability	85.54%	83.83%	83.09%	100.36%	88.22%

Data reported is measured as of June 30, 2024

Schedule of Employer's Contributions
PERSI - Base Plan
Last 10 - Fiscal Years

	2019	2018	2017	2016	2015
Statutorily required contributions	$ 72,674	$ 60,377	$ 60,037	$ 55,172	$ 54,190
Contributions in relation to the statutorily required contribution	$ 72,350	$ 60,387	$ 59,527	$ 54,950	$ 53,219
Contribution (deficiency) excess	$ (324)	$ 10	$ (510)	$ (222)	$ (971)
Employer's covered-employee payroll	$ 625,456	$ 533,365	$ 530,362	$ 487,381	$ 468,612
Contributions as a percentage of covered-employee payroll	11.48%	11.32%	11.22%	11.27%	11.36%

	2024	2023	2022	2021	2020
Statutorily required contributions	$ 107,933	$ 97,122	$ 81,953	$ 82,898	$ 81,024
Contributions in relation to the statutorily required contribution	$ (107,933)	$ 97,121	$ 81,954	$ 82,898	$ 81,026
Contribution (deficiency) excess	$ 0	$ (1)	$ 1	$ 0	$ 2
Employer's covered-employee payroll	$ 965,411	$ 779,837	$ 667,690	$ 721,880	$ 660,565
Contributions as a percentage of covered-employee payroll	11.18%	11.77%	11.94%	11.94%	11.94%

WORKMAN & COMPANY | Office of Accounting

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

June 13, 2025

To the City Council
City of Victor, Idaho

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Victor, 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 Victor, Idaho's basic financial statements, and have issued our report thereon dated June 13, 2025.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Victor, 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Victor, Idaho's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Victor, Idaho's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Victor, 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 disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Workman & Company

WORKMAN AND COMPANY
Certified Public Accountants
Twin Falls, Idaho

CITY OF VICTOR
138 N MAIN ST.
VICTOR, ID 83455

June 13, 2025

Workman and Company
Certified Public Accountants
PO Box 2367
Twin Falls, Idaho 83303-2367

This representation letter is provided in connection with your audit of the financial statements of the City of Victor, Idaho (City), which comprise the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information as of September 30, 2024, and the respective changes in financial position and, where applicable, cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of December 21, 2024, the following representations made to you during your audit.

Financial Statements

1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated October 14, 2024 including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.

2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government required by generally accepted accounting principles to be included in the financial reporting entity.

3) We acknowledge our responsibility 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.

4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.

6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties, if any, have been appropriately accounted for and disclosed in accordance with U.S. GAAP.

7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.

8) The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole for each opinion unit. A list of the uncorrected misstatements, if any, is attached to the representation letter.

9) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.

10) Guarantees, whether written or oral, under which the City is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

11) We have provided you with:

    a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters [and all audit or relevant monitoring reports, if any, received from funding sources].

    b) Additional information that you have requested from us for the purpose of the audit.

    c) Unrestricted access to persons within the City from whom you determined it necessary to obtain audit evidence.

    d) Minutes of the meetings of City's Council or summaries of actions of recent meetings for which minutes have not yet been prepared.

12) All material transactions have been recorded in the accounting records and are reflected in the financial statements.

13) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

14) We have no knowledge of any fraud or suspected fraud that affects the City and involves—

    - Management,
    - Employees who have significant roles in internal control, or
    - Others where the fraud could have a material effect on the financial statements.

15) We have no knowledge of any allegations of fraud or suspected fraud affecting the City's financial statements communicated by employees, former employees, regulators, or others.

16) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.

17) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.

18) We have disclosed to you the identity of the City's related parties, if any, and all the related party relationships and transactions of which we are aware.

Government—specific

19) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

20) We have taken timely and appropriate steps to remedy fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse, if any, that you have reported to us.

21) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.

22) The City has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.

23) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.

24) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.

25) We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.

26) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.

27) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.

28) As part of your audit, you assisted with preparation of the financial statements and related notes [and schedule of expenditures of federal awards]. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes [and schedule of expenditures of federal awards].

29) The City has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.

30) The City has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

31) The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.

32) The financial statements properly classify all funds and activities in accordance with GASB Statement No. 34 .

33) All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.

34) Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.

35) Investments, derivative instruments, and land and other real estate held by endowments are properly valued.

36) Provisions for uncollectible receivables have been properly identified and recorded.

37) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.

38) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.

39) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.

40) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.

41) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.

42) The government meets the GASB-established requirements for accounting for eligible infrastructure assets using the modified approach.

43) We have appropriately disclosed the City's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.

44) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.

45) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.

46) With respect to the additional supplementary information on which an in-relation-to opinion is issued, combining statements, individual fund statements:

    a) We acknowledge our responsibility for presenting the additional supplementary information in accordance with accounting principles generally accepted in the United States of America, and we believe the supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.

47) We have reviewed and taken responsibility for any adjustments to the City's accounts suggested by you.

Signature : _____

Title _____

City of Victor Idaho