



Financial Statements  
September 30, 2021  
**City of Gooding**

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## Independent Auditor's Report

Honorable Mayor and Members of the City Council  
City of Gooding  
Gooding, Idaho 83330

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Gooding, Idaho (the City), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### Management's Responsibility 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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Gooding, Idaho, as of September 30, 2021, 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.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the budgetary comparison information and the schedule of employer's share of net pension asset/liability and employer contributions on pages 34 through 39 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the 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.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and is not a required part of the financial statements.

The combining nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated April 18, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 City of Gooding's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Twin Falls, Idaho  
April 18, 2022

City of Gooding  
Statement of Net Position  
September 30, 2021

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
<b>Assets</b>				
Cash and cash equivalents	\$ 1,528,123	\$ 3,589,647	\$ 5,117,770	\$ 21,464
Investments	-	149,163	149,163	31,875
Receivables				
Property tax	1,219,705	-	1,219,705	-
Assessments, net	-	220,399	220,399	-
Highway users	45,021	-	45,021	-
City highway	125	-	125	-
Revenue sharing	113,716	-	113,716	-
Liquor apportionment	11,780	-	11,780	-
Franchise fee receivable	8,429	-	8,429	-
Miscellaneous	1,300	-	1,300	-
Inventory	5,609	-	5,609	-
Prepaid lease	30,259	-	30,259	-
Restricted assets				
Cash	49,129	43,949	93,078	-
Net pension asset-PERSI base plan	14,356	10,559	24,915	-
Capital assets-nondepreciable	3,855,893	1,752,328	5,608,221	377,083
Capital assets net of depreciation	4,762,274	8,985,822	13,748,096	-
<b>Total assets</b>	<b>11,645,719</b>	<b>14,751,867</b>	<b>26,397,586</b>	<b>430,422</b>
<b>Deferred Outflows of Resources</b>				
Pension obligations	204,916	150,720	355,636	-
<b>Total deferred outflows of resources</b>	<b>204,916</b>	<b>150,720</b>	<b>355,636</b>	<b>-</b>
<b>Total assets and deferred outflows     of resources</b>	<b>\$11,850,635</b>	<b>\$ 14,902,587</b>	<b>\$ 26,753,222</b>	<b>\$ 430,422</b>

City of Gooding  
Statement of Net Position  
September 30, 2021

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
<b>Liabilities</b>				
Accounts payable	\$ 41,077	\$ 74,077	\$ 115,154	\$ -
Payroll payable	61,952	26,797	88,749	-
Advanced revenue	-	370,611	370,611	-
Health reimbursement payable	48,504	-	48,504	-
Customer deposits	-	43,949	43,949	-
Accrued interest	-	67,146	67,146	-
Compensated absences	29,689	25,118	54,807	-
Loans payable -due within one	-	76,142	76,142	-
Loans payable- due in more than one year	-	5,154,696	5,154,696	-
Total liabilities	<u>181,222</u>	<u>5,838,536</u>	<u>6,019,758</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenues-property taxes	1,148,460	-	1,148,460	-
Pension obligations	503,534	370,357	873,891	-
Total deferred inflows of resources	<u>1,651,994</u>	<u>370,357</u>	<u>2,022,351</u>	<u>-</u>
<b>Net Position</b>				
Net investment in capital assets	8,618,167	5,507,312	14,125,479	-
Restricted	624	-	624	-
Unrestricted	1,398,628	3,186,382	4,585,010	430,422
Total net position	<u>10,017,419</u>	<u>8,693,694</u>	<u>18,711,113</u>	<u>430,422</u>
Total liabilities, deferred inflows of resources and net position	<u>\$11,850,635</u>	<u>\$ 14,902,587</u>	<u>\$ 26,753,222</u>	<u>\$ 430,422</u>

City of Gooding  
Statement of Activities  
Year Ended September 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-Type Activities	Total	
<b>Governmental Activities</b>								
General government	\$ 308,567	\$ 83,089	\$ 33,836	\$ -	\$ (191,642)	\$ -	\$ (191,642)	\$ -
Public protection	564,085	11,483	7,908	-	(544,694)	-	(544,694)	-
Streets and airport	728,566	41,524	289,927	1,406,687	1,009,572	-	1,009,572	-
Library and recreation	93,431	-	400	-	(93,031)	-	(93,031)	-
<b>Total governmental activities</b>	<b>1,694,649</b>	<b>136,096</b>	<b>332,071</b>	<b>1,406,687</b>	<b>180,205</b>	<b>-</b>	<b>180,205</b>	<b>-</b>
<b>Business-Type Activities</b>								
Water	976,850	935,915	-	35,451	-	(5,484)	(5,484)	-
Sewer	555,346	1,251,781	-	-	-	696,435	696,435	-
Sanitation	318,255	336,288	-	-	-	18,033	18,033	-
<b>Total business-type activities</b>	<b>1,850,451</b>	<b>2,523,984</b>	<b>-</b>	<b>35,451</b>	<b>-</b>	<b>708,984</b>	<b>708,984</b>	<b>-</b>
<b>Total primary government</b>	<b>\$ 3,545,100</b>	<b>\$ 2,660,080</b>	<b>\$ 332,071</b>	<b>\$ 1,442,138</b>	<b>180,205</b>	<b>708,984</b>	<b>889,189</b>	<b>-</b>
<b>Component Unit</b>								
Gooding urban renewal agency	\$ 5,300	\$ -	\$ -	\$ -	-	-	-	(5,300)
		General Revenues						
					1,133,288	-	1,133,288	-
					4,032	-	4,032	-
					346,498	-	346,498	-
					60,071	-	60,071	-
					1,010	4,633	5,643	1,149
					18,713	-	18,713	-
					34,418	-	34,418	-
					<b>1,598,030</b>	<b>4,633</b>	<b>1,602,663</b>	<b>1,149</b>
					1,778,235	713,617	2,491,852	(4,151)
					8,239,184	7,980,077	16,219,261	434,573
					<b>\$ 10,017,419</b>	<b>\$ 8,693,694</b>	<b>\$ 18,711,113</b>	<b>\$ 430,422</b>

See Notes to Financial Statements



City of Gooding  
Balance Sheet Governmental Funds  
September 30, 2021

	General Fund	Airport Fund	Street Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Cash	\$ 800,712	\$ 350,690	\$ 221,420	\$ 155,301	\$ 1,528,123
Receivables					
Property taxes	826,127	26,090	286,277	81,211	1,219,705
Highway users	-	-	45,021	-	45,021
City highway	-	-	125	-	125
Revenue sharing	70,867	455	29,316	13,078	113,716
State liquor apportionment	11,780	-	-	-	11,780
Franchise fee receivable	8,429	-	-	-	8,429
Miscellaneous	1,300	-	-	-	1,300
Prepaid lease	30,259	-	-	-	30,259
Inventory	-	-	5,609	-	5,609
Restricted assets					
Forfeiture account	621	-	-	-	621
Golf course fees	-	-	-	3	3
Health reimbursement account	48,505	-	-	-	48,505
Total assets	<u>\$1,798,600</u>	<u>\$ 377,235</u>	<u>\$ 587,768</u>	<u>\$ 249,593</u>	<u>\$ 3,013,196</u>

City of Gooding  
Balance Sheet Governmental Funds  
September 30, 2021

	General Fund	Airport Fund	Street Fund	Other Governmental Funds	Total Governmental Funds
<b>Liabilities</b>					
Accounts payable	\$ 22,724	\$ 9,362	\$ 6,820	\$ 2,171	\$ 41,077
Payroll payable	25,881	1,372	12,865	1,326	41,444
Accrued payroll liabilities	20,508	-	-	-	20,508
Health reimbursement payable	48,504	-	-	-	48,504
Total liabilities	<u>117,617</u>	<u>10,734</u>	<u>19,685</u>	<u>3,497</u>	<u>151,533</u>
<b>Deferred Inflows of Resources</b>					
Unavailable revenue property taxes	820,715	25,921	284,402	80,681	1,211,719
Total deferred inflows of resources	<u>820,715</u>	<u>25,921</u>	<u>284,402</u>	<u>80,681</u>	<u>1,211,719</u>
<b>Fund Balances</b>					
<b>Nonspendable</b>					
Prepaid lease	30,259	-	-	-	30,259
Inventory	-	-	5,609	-	5,609
<b>Restricted</b>					
Drug law enforcement	621	-	-	-	621
Golf course fees	-	-	-	3	3
<b>Committed</b>					
City airport	-	340,580	-	-	340,580
Street maintenance	-	-	278,072	-	278,072
Recreation	-	-	-	96,379	96,379
Capital improvement	-	-	-	69,033	69,033
Unassigned	829,388	-	-	-	829,388
Total Fund Balances	<u>860,268</u>	<u>340,580</u>	<u>283,681</u>	<u>165,415</u>	<u>1,649,944</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$1,798,600</u>	<u>\$ 377,235</u>	<u>\$ 587,768</u>	<u>\$ 249,593</u>	<u>\$ 3,013,196</u>

City of Gooding

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position  
Year Ended September 30, 2021

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Total governmental fund balance \$ 1,649,944

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. These assets consist of:

Land	77,089	
Construction in progress	3,778,804	
Infrastructure	5,581,616	
Buildings	979,853	
Equipment	1,288,585	
Accumulated depreciation	<u>(3,087,780)</u>	
 Total capital assets		 8,618,167

The net pension asset is not due and receivable in the current period and therefore is not reported in the funds, but is reported in the statement of net position. Deferred outflows and inflows of resources related to the net pension asset are also not reported in the funds but reported in the statement of net position.

Deferred Outflows of Resources - Pension obligations	204,916	
Deferred Inflows of Resources - Pension obligations	(503,534)	
Net Pension Asset	<u>14,356</u>	(284,262)

Some of the City's taxes will be collected after year-end, but are not available soon enough to pay the current period's expenditures, and therefore are reported as deferred inflows of resources in the funds. 63,259

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net position. Balances at September 30, 2021 are as follows:

Compensated absences payable	<u>(29,689)</u>	
 Total long-term liabilities		 <u>(29,689)</u>
 Net position of governmental activities		 <u><u>\$ 10,017,419</u></u>

City of Gooding

Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds  
Year Ended September 30, 2021

	General Fund	Airport Fund	Street Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Property taxes	\$ 776,424	\$ 24,799	\$ 262,216	\$ 75,807	\$ 1,139,246
Ag replacement tax	4,032	-	-	-	4,032
Delinquent interest	12,746	-	-	-	12,746
Sales tax / revenue sharing	215,935	1,388	89,326	39,849	346,498
Highway users	-	-	208,164	-	208,164
City highway	-	-	51,763	-	51,763
State liquor apportionment	60,071	-	-	-	60,071
Franchise fees	44,676	-	13,999	-	58,675
Licenses, permits, fines and fees	38,413	-	-	-	38,413
Court revenue	11,483	-	-	-	11,483
Earnings on investments	601	180	120	109	1,010
Rent - hangars and land	-	15,592	-	-	15,592
Airport operator	-	11,933	-	-	11,933
Federal grants	6,198	1,340,402	-	-	1,346,600
State grants	1,710	66,285	30,000	300	98,295
Contributions and donations	33,836	-	-	100	33,936
Miscellaneous	160	11,509	351	9,652	21,672
<b>Total revenues</b>	<b>1,206,285</b>	<b>1,472,088</b>	<b>655,939</b>	<b>125,817</b>	<b>3,460,129</b>
<b>Expenditures</b>					
<b>Current</b>					
General government	284,597	-	-	9,265	293,862
Public protection	710,737	-	-	-	710,737
Streets and airport	-	65,806	512,685	-	578,491
Library and recreation	-	-	-	85,573	85,573
Capital outlay	-	1,251,471	-	-	1,251,471
<b>Total expenditures</b>	<b>995,334</b>	<b>1,317,277</b>	<b>512,685</b>	<b>94,838</b>	<b>2,920,134</b>
Excess (deficiency) of revenues over (under) expenditures	210,951	154,811	143,254	30,979	539,995
<b>Other Financing Sources (Uses)</b>					
Proceeds from the sale of assets	-	-	13,113	5,600	18,713
Total other financing sources (uses)	-	-	13,113	5,600	18,713
<b>Net Change in Fund Balances</b>	<b>210,951</b>	<b>154,811</b>	<b>156,367</b>	<b>36,579</b>	<b>558,708</b>
Fund Balances - Beginning	649,317	185,769	127,314	128,836	1,091,236
Fund Balances - Ending	<u>\$ 860,268</u>	<u>\$ 340,580</u>	<u>\$ 283,681</u>	<u>\$ 165,415</u>	<u>\$ 1,649,944</u>

City of Gooding

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances  
to the Statement of Activities  
Year Ended September 30, 2021

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Net change in fund balances - total governmental funds		\$ 558,708
Amounts reported for governmental activities in the statement of activities are different because:		
Revenues that will not be collected for several months after the City's fiscal year ends are not considered "available" revenues and are deferred in the governmental funds. Deferred inflows of resources decreased in the governmental funds by this amount this year.		
		(5,958)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:		
Capital outlay	1,251,471	
Depreciation expense	<u>(179,911)</u>	
Excess of capital outlay over depreciation expense		1,071,560
In the governmental funds, pension contributions are recorded as expenditures, while on the statement of activities the contributions subsequent to the measurement date are considered a deferred outflow. Other factors include pension expense which is recorded in the statement of activities, but not in the governmental funds. Pension expense includes the City's proportionate share of the pension plan's expense which is determined by an actuary and amortization of deferred outflows and inflows of resources. Pension contributions exceeded pension expense by this amount during the fiscal year.		
		155,558
Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of financial resource availability.		
Increase in compensated absences		<u>(1,633)</u>
Change in net position of governmental activities		<u>\$ 1,778,235</u>

City of Gooding  
Statement of Net Position - Enterprise Funds  
September 30, 2021

	Water Works	Sewer System	Sanitation	Total
<b>Assets</b>				
<b>Current Assets</b>				
Cash	\$ 1,578,284	\$ 1,861,889	\$ 149,474	\$ 3,589,647
Investments	149,163	-	-	149,163
<b>Receivables</b>				
Assessments, net of allowance for doubtful accounts	79,915	110,783	29,701	220,399
<b>Restricted assets</b>				
Cash	43,949	-	-	43,949
Total current assets	<u>1,851,311</u>	<u>1,972,672</u>	<u>179,175</u>	<u>4,003,158</u>
<b>Noncurrent Assets</b>				
Net Pension Asset-PERSI Base Plan	3,981	4,182	2,396	10,559
<b>Capital Assets</b>				
Capital assets - nondepreciable	75,995	1,656,479	19,854	1,752,328
Capital assets net of depreciation	<u>7,665,067</u>	<u>1,163,582</u>	<u>157,173</u>	<u>8,985,822</u>
Total capital assets, (net of accumulated depreciation)	<u>7,741,062</u>	<u>2,820,061</u>	<u>177,027</u>	<u>10,738,150</u>
Total assets	<u>9,596,354</u>	<u>4,796,915</u>	<u>358,598</u>	<u>14,751,867</u>
<b>Deferred Outflows of Resources</b>				
Pension obligations	<u>56,827</u>	<u>59,686</u>	<u>34,207</u>	<u>150,720</u>
Total deferred outflows of resources	<u>56,827</u>	<u>59,686</u>	<u>34,207</u>	<u>150,720</u>
Total assets and deferred outflows of resources	<u><u>\$ 9,653,181</u></u>	<u><u>\$ 4,856,601</u></u>	<u><u>\$ 392,805</u></u>	<u><u>\$ 14,902,587</u></u>

City of Gooding  
Statement of Net Position - Enterprise Funds  
September 30, 2021

	Water Works	Sewer System	Sanitation	Total
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Accounts payable	\$ 32,191	\$ 27,963	\$ 13,923	\$ 74,077
Payroll payable	10,229	10,951	5,617	26,797
Advanced revenue	370,611	-	-	370,611
Customer deposits	43,949	-	-	43,949
Loan payable	76,142	-	-	76,142
Accrued interest payable	54,816	12,330	-	67,146
<b>Total current liabilities</b>	<b>587,938</b>	<b>51,244</b>	<b>19,540</b>	<b>658,722</b>
<b>Noncurrent Liabilities</b>				
Compensated absences payable	7,598	11,936	5,584	25,118
Loan payable	4,707,796	446,900	-	5,154,696
<b>Total noncurrent liabilities</b>	<b>4,715,394</b>	<b>458,836</b>	<b>5,584</b>	<b>5,179,814</b>
<b>Total liabilities</b>	<b>5,303,332</b>	<b>510,080</b>	<b>25,124</b>	<b>5,838,536</b>
<b>Deferred Inflows of Resources</b>				
Pension obligation	139,641	146,665	84,051	370,357
<b>Total deferred inflows of resources</b>	<b>139,641</b>	<b>146,665</b>	<b>84,051</b>	<b>370,357</b>
<b>Net Position</b>				
Net investment in capital assets	2,957,124	2,373,161	177,027	5,507,312
Unrestricted	1,253,084	1,826,695	106,603	3,186,382
<b>Total net position</b>	<b>4,210,208</b>	<b>4,199,856</b>	<b>283,630</b>	<b>8,693,694</b>
<b>Total liabilities, deferred inflows of resources and net position</b>	<b>\$ 9,653,181</b>	<b>\$ 4,856,601</b>	<b>\$ 392,805</b>	<b>\$ 14,902,587</b>

City of Gooding  
Statement of Revenues, Expenses, and Changes in Fund Net Position - Enterprise Funds  
Year Ended September 30, 2021

	Water Works	Sewer System	Sanitation	Total
Operating Revenues				
Service fees	\$ 901,707	\$ 1,250,001	\$ 335,128	\$ 2,486,836
Hook-up fees	5,600	1,500	-	7,100
Lease of surface water rights	18,997	-	-	18,997
Miscellaneous	9,611	280	1,160	11,051
Total operating revenues	<u>935,915</u>	<u>1,251,781</u>	<u>336,288</u>	<u>2,523,984</u>
Operating Expenses				
Salaries	262,481	281,097	154,775	698,353
Supplies	293,307	144,319	106,503	544,129
Depreciation	297,795	129,930	56,977	484,702
Total operating expenses	<u>853,583</u>	<u>555,346</u>	<u>318,255</u>	<u>1,727,184</u>
Operating Income (Loss)	<u>82,332</u>	<u>696,435</u>	<u>18,033</u>	<u>796,800</u>
Non-Operating Revenues (Expenses)				
Earnings on investments	2,758	1,774	101	4,633
Interest expense	(123,267)	-	-	(123,267)
Grants	35,451	-	-	35,451
Total non-operating revenues (expenses)	<u>(85,058)</u>	<u>1,774</u>	<u>101</u>	<u>(83,183)</u>
Change in Net Position	(2,726)	698,209	18,134	713,617
Net Position - Beginning of Year	<u>4,212,934</u>	<u>3,501,647</u>	<u>265,496</u>	<u>7,980,077</u>
Net Position - End of Year	<u>\$ 4,210,208</u>	<u>\$ 4,199,856</u>	<u>\$ 283,630</u>	<u>\$ 8,693,694</u>



City of Gooding  
Statement of Cash Flows - Enterprise Funds  
Year Ended September 30, 2021

	Water Works	Sewer System	Sanitation	Total
Cash Flows from Operating Activities				
Cash received from customers	\$ 940,424	\$ 1,237,355	\$ 333,119	\$ 2,510,898
Cash payments to suppliers for goods and services	(306,885)	(144,076)	(100,521)	(551,482)
Cash payments to employees for services	(273,158)	(280,396)	(163,999)	(717,553)
Net Cash provided (used) by Operating Activities	<u>360,381</u>	<u>812,883</u>	<u>68,599</u>	<u>1,241,863</u>
Cash Flows from Capital and Related Financing Activities				
Acquisition of capital assets	(1,610)	(1,031,422)	-	(1,033,032)
Loan proceeds	-	27,750	-	27,750
Grant receipts	406,062	-	-	406,062
Principal paid on debt	(74,103)	-	-	(74,103)
Interest paid on debt	(133,597)	-	-	(133,597)
Net Cash provided (used) by Capital and Related Financing Activities	<u>196,752</u>	<u>(1,003,672)</u>	<u>-</u>	<u>(806,920)</u>
Cash Flows from Investing Activities				
Purchase of time deposits	(1,428)	-	-	(1,428)
Earnings on investments	2,758	1,774	101	4,633
Net Cash provided (used) by Investing Activities	<u>1,330</u>	<u>1,774</u>	<u>101</u>	<u>3,205</u>
Net Increase (Decrease) in Cash and Restricted Cash	558,463	(189,015)	68,700	438,148
Balances - Beginning of Year	<u>1,063,770</u>	<u>2,050,904</u>	<u>80,774</u>	<u>3,195,448</u>
Balances - End of Year	<u><u>\$ 1,622,233</u></u>	<u><u>\$ 1,861,889</u></u>	<u><u>\$ 149,474</u></u>	<u><u>\$ 3,633,596</u></u>

City of Gooding  
Statement of Cash Flows - Enterprise Funds  
Year Ended September 30, 2021

	Water Works	Sewer System	Sanitation	Total
Reconciliation of Operating Income (Loss) to Net Cash provided (used) by Operating Activities				
Operating income (loss)	\$ 82,332	\$ 696,435	\$ 18,033	\$ 796,800
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation expense	297,795	129,930	56,977	484,702
Changes in assets and liabilities				
Decrease (increase) in accounts receivable	1,969	(14,426)	(3,169)	(15,626)
Increase (decrease) in accounts payable	(13,578)	243	5,982	(7,353)
Increase (decrease) in payroll payable	2,046	2,592	544	5,182
Increase (decrease) in customer deposits	2,540	-	-	2,540
Increase (decrease) in pension deferrals and liabilities	(10,499)	(1,000)	(10,690)	(22,189)
Increase (decrease) in compensated absences payable	(2,224)	(891)	922	(2,193)
Total adjustments	<u>278,049</u>	<u>116,448</u>	<u>50,566</u>	<u>445,063</u>
Net Cash Provided (used) by Operating Activities	<u>\$ 360,381</u>	<u>\$ 812,883</u>	<u>\$ 68,599</u>	<u>\$ 1,241,863</u>

## Note 1 - Summary of Significant Accounting Policies

### Reporting Entity

The City of Gooding (the City) is a municipal corporation governed by a mayor and four-member council. In evaluating how to define the City for financial reporting purposes, management has considered all potential component units by evaluating the criteria set forth under GASB Statement (GASBS) No. 14, *The Financial Reporting Entity*, as amended by GASBS No. 39, *Determining Whether Certain Organizations Are Component Units* and GASBS No. 61, *The Financial Reporting Entity: Omnibus*. These criteria include: 1) whether the potential component unit is a legally separate organization, 2) whether the City has the ability to exercise financial accountability either by appointing a voting majority of the potential component unit's board or by significantly influencing the program, projects, activities, or level of service performed by the potential component unit, 3) whether the potential component unit is fiscally dependent on the City and whether a financial benefit or burden relationship exists, and 4) whether excluding the potential component unit from the City's financial statements would render the City's financial statements misleading.

Based upon the application of these criteria, the City of Gooding has one discretely presented component unit included in the accompanying financial statements. The Urban Renewal Agency of Gooding ("Agency") was created by the City of Gooding pursuant to Idaho Code §50-2008 to rehabilitate, conserve, and/or redevelop deteriorated or deteriorating areas within the City of Gooding. The City identified the Gooding Industrial Park as an appropriate area for an urban renewal project and appoints the members of the Board of Commissioners of the Agency. The financial statements are formatted to allow the user to clearly distinguish between the City and its component unit. No separate financial statements are available for the Agency.

### Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the governmental entity. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. *Program revenues* include 1) fees, fines, and charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

### Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus. The government-wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Non-exchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Grants received in advance of meeting the eligibility requirements are recorded as a liability (advanced revenue).

Governmental fund financial statements are reported using the *current financial resources* measurement focus and the *modified accrual* basis of accounting. Revenues are recognized as soon as they are both measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days after year end. Expenditures generally are recorded when the liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest revenue associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. Sales taxes collected and held by the state at year end on behalf of the government also are recognized as revenue. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

The *general fund* is the City’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *airport fund* accounts for grant and property tax revenue that is assigned for maintenance and construction of airport facilities.

The *street fund* accounts for highway user revenue that is restricted and property tax revenue that is assigned for maintenance and construction of city streets.

The City reports the following major proprietary funds:

The *water fund* is used to account for the costs necessary to operate the City’s water system and the charges necessary to offset those costs.

The *sewer fund* is used to account for the costs necessary to operate the City's sewer system and the charges necessary to offset those costs.

The *sanitation fund* is used to account for the costs necessary to operate the City's sanitation system and the charges necessary to offset those costs.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are any charges between the government's water and sewer utilities and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) fees, fines, and charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water, Sewer, and Sanitation proprietary funds are charges to customers for sales and service. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

## **Assets, Deferred Outflows and Inflows of Resources, Liabilities and Net Position or Equity**

### **Deposits and Investments**

The City's cash is considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. The City's restricted cash consist of cash that cannot be used for the City's general operations. At September 30, 2021, this includes the Police Asset Forfeiture account in the City's general fund and customer advanced deposits in the Water Works enterprise fund.

The City's investments consist of certificates of deposit with original maturities greater than 90 days that are reported at amortized cost. State statute authorizes the City to invest in places of deposit as provided by ordinance; including obligations of the U.S. Treasury, time deposit accounts, commercial paper, corporate bonds, revenue and general obligation bonds, tax anticipation bonds or notes, repurchase agreements, and the Idaho State Treasurer's Local Government Investment Pool. Investments for the City are reported at fair value.

### Receivables and Payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “interfund balances.” Interfund balances offset each other and are not a part of the government-wide financial statements. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “interfund balances.” All other interfund transactions, including nonrecurring or non-routine permanent transfers of equity and operating transfers, are reported as “interfund transfers.” Interfund transfers offset each other and are not a part of the government-wide financial statements.

Non-tax receivables are recognized as revenues received from the State and Federal governments if designated for the current fiscal period. No allowance for uncollectible property taxes has been accrued. The City feels property taxes are ultimately collectible through property liens and/or forced sales and any amounts not collected are immaterial to the financial statements taken as a whole.

The City requires advance deposits for water, sewer, and sanitation service, actively monitors the service revenue accounts for delinquency, discontinues services if payments are not received in a timely manner, and uses a collection agency for past due amounts. The allowance for doubtful accounts is established to provide an estimate of accounts receivable that are expected to be unrecoverable. Losses are charged against the allowance when management believes the collectability of a receivable is unlikely. Subsequent recoveries, if any, are credited to the allowance. The allowance for doubtful accounts is based on specifically identified questionable receivables and historical collection patterns. The evaluation is inherently subjective as it requires estimates that are subject to significant revision as more information becomes available.

### Inventories

Inventories are valued at cost, which approximates market value, using the first-in/first-out (FIFO) method. The costs of governmental fund inventories are recorded as expenditures when consumed rather than when purchased. In governmental funds, reported inventories are equally offset by nonspendable fund balance amounts, indicating that they do not constitute “available spendable resources” even though they are a component of net current assets. The net change in nonspendable fund balances is not presented because the combined statements of revenues, expenditures, and changes in fund balances reflects the changes in total fund balances rather than just the spendable and nonspendable fund balances.

### Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. General infrastructure assets acquired prior to October 1, 2003 (other than in proprietary funds) have not been capitalized. Subsequent to October 1, 2003, any newly acquired or constructed infrastructure assets have been capitalized. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

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

<u>Assets</u>	<u>Years</u>
Buildings	25 - 50
Building improvements	25
Public domain infrastructure	50
System infrastructure	30
Equipment and vehicles	5 - 25
Office equipment	3 - 5

#### **Deferred Outflows of Resources**

Deferred outflows of resources are a consumption of net position by the City that is applicable to future reporting periods. Similar to assets, they have a positive effect on net position. The government-wide statement of net position reports the future outflows related to pension obligations.

#### **Deferred Inflows of Resources**

Deferred inflows of resources are an acquisition of net position that is applicable to future reporting periods. Similar to liabilities, they have a negative effect on net position. The government-wide statement of net position reports the property taxes levied for the following year as well as future inflows related to pension obligations as a deferred inflow or resources. Other items reported as deferred inflow of resources arise under a modified accrual basis of accounting in the City's governmental funds. The unavailable revenues from property taxes will be recognized as an inflow or resources in the period the amounts become available.

#### **Compensated Absences**

Employees of the City are entitled to paid vacation and paid sick leave depending on job classification, length of service, and other factors. There is no liability for unpaid accumulated sick leave since the City does not have a policy to pay any amounts when employees separate from service with the city. All vacation days are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

#### **Long-Term Obligations**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are

reported net of the applicable bond premium or discount. Bond issuance costs, except any portion related to prepaid insurance costs, are recognized as an expense in the period incurred.

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

### **Net Position and Fund Balances**

Fund equity at the governmental fund financial reporting level is classified as “fund balance.” Fund equity for all other reporting is classified as “net position.”

**Governmental Fund Balances** - Generally, governmental fund balances represent the difference between the current assets and deferred outflows of resources, and current liabilities and deferred inflows of resources. Governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those resources can be spent. Fund balances are classified as follows.

**Nonspendable** - Includes amounts that cannot be spent because they are not in spendable form, or they are legally or contractually required to be maintained intact. This classification includes inventories, prepaid amounts, assets held for sale, and long-term receivables.

**Restricted** - Constraints placed on the use of these resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or other governments; or are imposed by law (through constitutional provisions or enabling legislation).

**Committed** - Amounts that can only be used for specific purposes because of a formal action (resolution or ordinance) by the City’s highest level of decision-making authority, the City Council. With the exception of the General Fund, this is the residual fund balance classification for all governmental funds with positive balances.

**Assigned** - Amounts that are constrained by the City’s intent to be used for specific purposes, but that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the Mayor, or by an official to whom that authority has been given.

**Unassigned** - This is the residual classification of the General Fund. Only the General Fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification, as the result of overspending for specific purposes for which amounts had been restricted, committed, or assigned.

When an expenditure is incurred for which restricted, committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of restricted funds, then committed funds, followed by assigned funds, and finally unassigned funds, as needed, unless City Council has provided otherwise in its commitment or assignment actions.



**Net Position** - Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is reported as unrestricted.

The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

#### **Contingent Liabilities – Federal Assistance**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by such agencies, principally by the federal government. Any disallowed claims, including amounts already collected, could become a liability of the general fund or other applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

#### **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

#### **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.

#### **Implementation of GASB Statement No. 84**

As of October 1, 2020, The City adopted GASB Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of this Statement will enhance consistency and comparability by (1) establishing specific criteria for identifying activities that should be reported as fiduciary activities and (2) clarifying whether and how governmental activities should report their fiduciary activities. Greater consistency and comparability enhances the value provided by the information reported in financial statements for assessing government accountability and stewardship. The impact to the City resulted in recording the beginning cash and offsetting liability account totaling \$41,584 in the City's General fund. There was no effect of the implementation of this standard to beginning net position or fund balance.

**Note 2 - Detailed Notes on All Funds**

**Deposits**

Following is a summary of the City’s bank deposit balances as of September 30, 2021:

	Bank Balances
Insured	\$ 447,668
Collateralized	4,438,293
Uninsured and uncollateralized	526,682
 Total	 \$ 5,412,643

*Custodial Credit Risk – Deposits.* Custodial credit risk is the risk that in the event of a bank failure, the City’s deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. As of September 30, 2021, the carrying amount of the City’s deposits was \$5,360,011 and the respective bank balances totaled \$5,412,643. Of the bank balances, \$526,682 was exposed to custodial credit risk because the balances were not covered by depository insurance or collateralized.

**Property Tax Calendar**

The City’s property tax is levied each September on the value listed as of the prior January 1 for all real property located in the City. The lien date is effective January 1 of the year the property tax is levied. All property taxes are billed and collected by Gooding County and remitted to the City. A revaluation of all property is required to be completed no less than every five years. The market value for the roll as of January 1, 2020 upon which the 2021 fiscal year levy was based was \$131,142,687.

Under Idaho Code, the City is permitted to levy taxes for general revenue and special revenue purposes on the market value for assessment purposes of all taxable real property within the limits of the City. The City’s total levy rate for 2019 was .9230342% per \$1 of market valuation. The actual tax levy for the year ended September 30, 2021 was \$1,107,493.

Taxes are due in two equal installments on December 20 and June 20 following the levy date. In the governmental fund financial statements, property taxes are reflected as revenues in the fiscal period for which they were levied, provided they are due, or past due and receivable within the current period, and collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period (60 days). Otherwise they are reported as deferred inflows of resources.

**Accounts Receivable**

At September 30, 2021, amounts billed and outstanding for the enterprise funds was \$228,295. The allowance for doubtful accounts was \$7,896 and the net receivable was \$220,399.

**Interfund Receivables, Payables, and Transfers**

Interfund balances relate to temporary loans to cover cash shortfalls while the fund awaiting reimbursement. Internal balances are expected to be settled within one year. There were no interfund receivables, payables or transfers as of and for the year ended September 30, 2021.

**Capital Assets**

Capital asset activity for the year ended September 30, 2021 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental Activities</b>				
Capital assets, not being depreciated:				
Land	\$ 77,089	\$ -	\$ -	\$ 77,089
Construction in progress	2,536,312	1,242,492	-	3,778,804
Total capital assets, not being depreciated	<u>2,613,401</u>	<u>1,242,492</u>	<u>-</u>	<u>3,855,893</u>
Capital assets, being depreciated:				
Buildings and improvements	979,853	-	-	979,853
Equipment	1,413,850	-	(125,265)	1,288,585
Infrastructure	5,572,637	8,979	-	5,581,616
Total capital assets, being depreciated	<u>7,966,340</u>	<u>8,979</u>	<u>(125,265)</u>	<u>7,850,054</u>
Less accumulated depreciation for:				
Buildings and improvements	649,289	15,138	-	664,427
Equipment	1,199,671	40,182	(125,265)	1,114,588
Infrastructure	1,184,174	124,591	-	1,308,765
Total accumulated depreciation	<u>3,033,134</u>	<u>179,911</u>	<u>(125,265)</u>	<u>3,087,780</u>
Total capital assets, being depreciated, net	<u>4,933,206</u>	<u>(170,932)</u>	<u>-</u>	<u>4,762,274</u>
Governmental activities capital assets, net	<u>\$ 7,546,607</u>	<u>\$ 1,071,560</u>	<u>\$ -</u>	<u>\$ 8,618,167</u>

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Business-type Activities</b>				
Capital assets, not being depreciated:				
Land	\$ 103,789	\$ -	\$ -	\$ 103,789
Construction in progress	614,703	1,033,836	-	1,648,539
Total capital assets, not being depreciated	<u>718,492</u>	<u>1,033,836</u>	<u>-</u>	<u>1,752,328</u>
Capital assets, being depreciated:				
Water system	9,271,104	-	-	9,271,104
Sewer system	4,573,730	-	-	4,573,730
Buildings and improvements	59,392	-	-	59,392
Equipment	1,980,543	-	-	1,980,543
Total capital assets, being depreciated	<u>15,884,769</u>	<u>-</u>	<u>-</u>	<u>15,884,769</u>
Less accumulated depreciation for:				
Water system	1,348,589	291,563	-	1,640,152
Sewer system	3,385,163	115,268	-	3,500,431
Buildings and improvements	32,467	1,569	-	34,036
Equipment	1,648,026	76,302	-	1,724,328
Total accumulated depreciation	<u>6,414,245</u>	<u>484,702</u>	<u>-</u>	<u>6,898,947</u>
Total capital assets, being depreciated, net	<u>9,470,524</u>	<u>(484,702)</u>	<u>-</u>	<u>8,985,822</u>
Business-type activities capital assets, net	<u>\$ 10,189,016</u>	<u>\$ 549,134</u>	<u>\$ -</u>	<u>\$ 10,738,150</u>

The estimated cost to complete water infrastructure projects and wastewater projects as of September 30, 2021 is \$211,291 and \$18,00,000, respectively. The estimated cost to complete the airport runway projects and master plan was \$65,421 and \$56,300, respectively. Depreciation expense was charged to functions/programs as follows:

<u>Governmental Activities</u>	
General government	\$ 14,405
Public protection	6,539
Streets and airport	151,049
Library and recreation	7,918
Total depreciation expense - governmental activities	<u>\$ 179,911</u>
<u>Business-Type Activities</u>	
Water	\$ 297,795
Sewer	129,930
Sanitation	56,977
Total depreciation expense - business-type activities	<u>\$ 484,702</u>

### Operating Leases

The City of Gooding has entered into various operating leases for police vehicles that require the City to make lease payments through June 9, 2024. Future annual operating lease payments are as follows:

Years Ending September 30,	Amount
2022	\$ 59,292
2023	59,292
2024	50,480

### Long-Term Debt

On April 5, 2018 the City executed a grant /loan agreement with the USDA Rural Utilities Service. The maximum amount of the loan /grant available to be drawn totals \$5,000,000 and \$1,600,000, respectively. The loan is repayable over a period of 40 years from the date of the loan closing. Annual payments of principal and interest total \$207,700. Interest is accrued yearly at a rate of 2.75% and the loan is expected to be repaid by the net revenues of the City's water system.

On May 3, 2018 the City executed a loan agreement with the Idaho Department of Environmental Quality to replace headworks and improve the treatment process including adding filtration, chemical treatment and sludge draying bed. The maximum amount of the loan to be drawn is \$9,000,000 and interest accrues biannually at a rate of 1.75%. The loan is required to be repaid in biannual installments over 30 years no later than 30 years from the project completion date. The project was ongoing during fiscal year 2021 and no debt service payments were required. Future principal and interest payment are yet to be determined. During fiscal year 2021 there were \$27,750 in loan proceeds received during fiscal year 2021. Capitalized interest in the current year as part of the project totaled \$804 for fiscal year 2021.

The following is a summary of debt maturity requirements for loans payable to the USDA as of September 30, 2021:

Years Ending September 30,	Principal	Interest
2022	\$ 76,142	\$ 131,558
2023	78,236	129,464
2024	80,038	127,662
2025	82,588	125,112
2026	84,859	122,841
2027-2031	460,261	578,239
2032-2036	526,882	511,618
2037-2041	603,782	434,719
2042-2046	691,529	346,971
2047-2051	792,031	246,469
2052-2056	907,097	133,441
2057-2060	400,493	16,666
	\$ 4,783,938	\$ 2,904,760

**Changes in Long-Term Liabilities**

During the year ended September 30, 2021, the following changes occurred in liabilities:

	Balance October 1, 2020	Additions	Reductions	Balance September 30, 2021	Due Within One Year
<b>Governmental Activities</b>					
Compensated absences	\$ 28,056	\$ 32,774	\$ 31,141	\$ 29,689	\$ -
<b>Business-Type Activities</b>					
DEQ loan payable	419,150	27,750	-	446,900	-
USDA rural development loan	4,858,041	-	74,103	4,783,938	76,142
Compensated absences	27,311	27,726	29,919	25,118	-
Total	<u>\$ 5,332,558</u>	<u>\$ 88,250</u>	<u>\$ 135,163</u>	<u>\$ 5,285,645</u>	<u>\$ 76,142</u>

For the governmental activities, compensated absences have been liquidated in the respective fund in which the employee has provided services. These funds include the general fund, street fund, library fund, parks and recreation fund, and airport fund. For business-type activities compensated absences have also been liquidated in the respective fund in which the employee has provided services. These funds include Water Works, Sewer System, and Sanitation Fund.

**Note 3 - Discretely Presented Component Unit**

In 2021, there were no transactions between the Gooding Urban Renewal Agency (Agency) and the City of Gooding. The Gooding Urban Renewal Agency continues to rehabilitate, conserve, and/or redevelop deteriorated or deteriorating areas within the City of Gooding. There were no additions, deletions, or other changes in the capital asset balances for the Agency during fiscal year 2021.

**Note 4 - Employee's Retirement Plan**

*Plan Description*

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

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

### *Pension Benefits*

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

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

### *Member and Employer Contributions*

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

The contribution rates for employees are set by statute at 60% of the employer rate for general employees and 72% for police and firefighters. As of June 30, 2021, it was 7.16% for general employees and 8.81% for police and firefighters. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.94% general employees and 12.28% for police and firefighters. The City's contributions were \$130,423 for the year ended September 30, 2021.

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

At September 30, 2021, the City reported an asset for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2021, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. The City's proportion of the net pension asset was based on the City's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2021, the City's proportion was .03154754 percent compared to .0332856 percent at June 30, 2020.

For the year ended September 30, 2021, the City recognized pension expense (expense offset) of (\$36,358). At September 30, 2021, 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	\$ 36,710	\$ 14,483
Changes in assumptions or other inputs	285,999	-
Net difference between projected and actual earnings on pension plan investments	-	782,580
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	-	76,828
City contributions subsequent to the measurement date	32,927	-
Total	\$ 355,636	\$ 873,891

\$32,927 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, 2022.

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, 2020 the beginning of the measurement period ended June 30, 2021 is 4.6 years.

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

2022	\$ (142,228)
2023	(124,003)
2024	(106,289)
2025	(178,662)
Total	\$ (551,182)

#### *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 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, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

\* There is an additional component of assumed salary growth (on top of the 3.05%) that varies for each individual member based on years of service.

Several different sets of mortality rates are used in the valuation of contributing members, members retired for service and beneficiaries. These rates were adopted for the valuation dated July 1, 2021.

**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%
Fire & Police -Males	Pub-2010 Safety Tables, increased 21%
Fire & Police-Females	Pub-2010 Safety Tables, increased 26%
Disabled Members-Males	Pub-2010 Disabled Tables, increased 38%
Disabled Members-Females	Pub-2010 Disabled Tables, increased 36%

For the base plan, Economic assumptions were studied in an experience study performed for the period 2015 through 2020. Demographic assumptions, including mortality were studied for the period 2011 through 2017. The Total Pension Liability as of June 30, 2021, is based on the results of an actuarial valuation date of June 30, 2021.

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

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.

**Capital Market Assumptions for Callen 2021**

Asset Class	Target Allocation	Long-Term Expected Nominal Rate of Return (Arithmetic)	Long-Term Expected Real Rate of Return (Arithmetic)
Core Fixed Income	30.00%	1.80%	-0.20%
Broad US Equities	55.00%	8.00%	6.00%
Developed Foreign Equities	15.00%	8.25%	6.25%
Assumed Inflation - Mean		2.00%	2.00%
Assumed Inflation - Standard Deviation		1.50%	1.50%
Portfolio Arithmetic Mean Return		6.18%	4.18%
Portfolio Standard Deviation		12.29%	12.29%
Portfolio Long-Term (Geometric) Expected Rate of Return		5.55%	3.46%
Assumed Investment Expenses		0.40%	0.40%
Portfolio Long-Term (Geometric) Expected Rate of Return, Net of Investment Expenses		5.15%	3.06%

**Investment Policy Assumptions from PERSI November 2019**

Portfolio Long-Term Expected Real Rate of Return, Net of Investment Expenses	4.14%
Portfolio Standard Deviation	14.16%

**Economic /Demographic Assumptions for Milliman 2021**

<b>Valuation Assumptions Chosen by PERSI Board</b>	
Long-Term Expected Real Rate of Return, Net of Investment Expenses	4.05%
Assumed Inflation	2.30%
<b>Long-Term Expected Geometric Rate of Return, Net of Investment Expenses</b>	<b>6.35%</b>

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

	1% Decrease (5.35%)	Current Discount Rate (6.35%)	1% Increase (7.35%)
Employer's proportionate share of the net pension liability (asset)	\$ 886,119	\$ (24,915)	\$ (755,315)

*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](http://www.persi.idaho.gov).

*Payables to the pension plan*

At September 30, 2021, there were no payables to the defined benefit pension plan for legally required employer contributions or for legally required employee contributions which had been withheld from employee wages but not yet remitted to PERSI.

**Note 5 - Other Information**

**Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the City carries commercial insurance. Amounts of settlements have not exceeded insurance coverage in the past three years.



Required Supplementary Information  
September 30, 2021

**City of Gooding**

City of Gooding  
Schedule of Employer's Share of Net Pension Asset/Liability  
Year Ended September 30, 2021

Required Supplementary Information

Schedule of Employer's Share of Net Pension Liability (Asset)  
PERSI – Base Plan  
Last 10 – Fiscal Years \*

	2015	2016	2017	2018	2019	2020	2021
Employer's portion of the net pension liability (asset)	0.360288%	0.0382130%	0.0411506%	0.0384052%	0.0383104%	0.0332856%	-0.0315475%
Employer's proportionate share of the net pension liability (asset)	\$ 474,440	\$ 774,636	\$ 646,817	\$ 566,484	\$ 437,302	\$ 772,935	\$ (24,915)
Employer's covered payroll	\$ 999,440	\$ 1,106,859	\$ 1,266,918	\$ 1,162,414	\$ 1,282,299	\$ 1,067,210	\$ 1,083,647
Employer's proportional share of the net pension liability (asset) as a percentage of its covered payroll	47.47%	69.99%	51.06%	48.73%	34.10%	72.43%	-2.30%
Plan fiduciary net position as a percentage of the total pension liability	91.38%	87.26%	90.68%	91.69%	93.79%	88.22%	100.36%

\*GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the City will present information for those years for which information is available.

Data reported is measured as of June 30, 2021.

City of Gooding  
Schedule of Employer Contributions  
Year Ended September 30, 2021

Schedule of Employer Contributions  
PERSI – Base Plan  
Last 10 – Fiscal Years \*

	2015	2016	2017	2018	2019	2020	2021
Statutorily required contribution	\$ 114,236	\$ 126,514	\$ 144,682	\$ 132,781	\$ 148,199	\$ 128,371	\$ 130,423
Contributions in relation to the statutorily required contribution	\$ (114,236)	\$ (126,514)	\$ (144,682)	\$ (132,781)	\$ (148,199)	\$ (128,371)	\$ (130,423)
Contribution (deficiency) excess	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 999,440	\$ 1,106,859	\$ 1,266,918	\$ 1,162,414	\$ 1,282,299	\$ 1,067,210	\$ 1,083,647
Contributions as a percentage of covered payroll	11.43%	11.43%	11.42%	11.42%	11.56%	12.03%	12.04%

\*GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the City will present information for those years for which information is available.

Data is reported and measured as of September 30, 2021.

City of Gooding  
 Budgetary Comparison Schedule - General Fund  
 Year Ended September 30, 2021

	Original/Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Property taxes	\$ 673,692	\$ 776,424	\$ 102,732
Ag replacement tax	3,793	4,032	239
Delinquent interest	13,500	12,746	(754)
Sales tax	187,905	215,935	28,030
State liquor	50,655	60,071	9,416
Franchise fees	49,300	44,676	(4,624)
Licenses and permits	37,694	38,413	719
Court revenue	12,000	11,483	(517)
Earnings on investments	800	601	(199)
Federal grants	2,000	6,198	4,198
State grants	-	1,710	1,710
Contributions and donations	134,392	33,836	(100,556)
Miscellaneous	-	160	160
	<u>1,165,731</u>	<u>1,206,285</u>	<u>40,554</u>
<b>Expenditures</b>			
Administration			
Salaries and benefits	112,334	113,664	(1,330)
Insurance	52,686	47,283	5,403
Supplies	186,724	126,594	60,130
Police Department			
Salaries and benefits	595,918	526,967	68,951
Supplies	144,339	140,437	3,902
Rent	63,480	33,526	29,954
Animal Shelter			
Supplies	10,250	6,863	3,387
	<u>1,165,731</u>	<u>995,334</u>	<u>170,397</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>210,951</u>	<u>210,951</u>
Net Change in Fund Balance	-	210,951	210,951
Fund Balance - Beginning of Year	<u>649,317</u>	<u>649,317</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 649,317</u>	<u>\$ 860,268</u>	<u>\$ 210,951</u>

City of Gooding  
 Budgetary Comparison Schedule Airport Special Revenue Fund  
 Year Ended September 30, 2021

	Original/Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Property taxes	\$ 24,742	\$ 24,799	\$ 57
Sales tax / revenue sharing	1,206	1,388	182
Rent - hangars and land	7,552	15,592	8,040
Airport operator	11,768	11,933	165
Federal grant	2,880,420	1,340,402	(1,540,018)
State grant	149,095	66,285	(82,810)
Earnings on investments	1,050	180	(870)
Miscellaneous	800	11,509	10,709
<b>Total revenues</b>	<b>3,076,633</b>	<b>1,472,088</b>	<b>(1,604,545)</b>
<b>Expenditures</b>			
Salaries and benefits	45,155	43,570	1,585
Supplies	53,215	22,236	30,979
Capital outlay	3,240,610	1,251,471	1,989,139
<b>Total expenditures</b>	<b>3,338,980</b>	<b>1,317,277</b>	<b>2,021,703</b>
<b>Net Change in Fund Balance</b>	<b>(262,347)</b>	<b>154,811</b>	<b>417,158</b>
<b>Fund Balance - Beginning of Year</b>	<b>185,769</b>	<b>185,769</b>	<b>-</b>
<b>Fund Balance - End of Year</b>	<b>\$ (76,578)</b>	<b>\$ 340,580</b>	<b>\$ 417,158</b>



City of Gooding  
 Budgetary Comparison Schedule Street Special Revenue Fund  
 Year Ended September 30, 2021

	Original/Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Property taxes	\$ 261,217	\$ 262,216	\$ 999
Sales tax / revenue sharing	77,731	89,326	11,595
Highway users	135,337	208,164	72,827
City highway	48,889	51,763	2,874
Franchise fees	19,400	13,999	(5,401)
Earnings on investment	200	120	(80)
Tree yard	-	-	-
State grants	30,000	30,000	-
Miscellaneous	96	351	255
Total revenues	<u>572,870</u>	<u>655,939</u>	<u>83,069</u>
<b>Expenditures</b>			
Salaries and benefits	342,099	304,392	37,707
Supplies	230,771	208,293	22,478
Total expenditures	<u>572,870</u>	<u>512,685</u>	<u>60,185</u>
Excess (deficiency) of revenues over (under) expenditures	-	143,254	143,254
<b>Other Financing Sources</b>			
Sale of assets	-	13,113	13,113
Total other financing sources	<u>-</u>	<u>13,113</u>	<u>13,113</u>
Net Change in Fund Balance	-	156,367	156,367
Fund Balance - Beginning of Year	<u>127,314</u>	<u>127,314</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 127,314</u>	<u>\$ 283,681</u>	<u>\$ 156,367</u>

### **Budgetary Information**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. All annual appropriations lapse at fiscal year-end. Project-length financial plans are adopted for all capital project funds. Annual operating budgets are adopted for proprietary funds.

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

1. Prior to July 1, the City Clerk submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted at the City Hall.
3. Prior to September 1, the budget is legally enacted through passage of an ordinance.
4. The City Clerk is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council.

### **Excess of Expenditures Over Appropriations**

**None**

Encumbrance accounting methods were not used in the preparation of the City's financial statements. Uncommitted appropriations lapse at year-end and commitments are reappropriated in the next year's budget.

### **Change in Assumptions**

An experience study was performed for the period 2015 through 2020 for the PERSI base plan. There were changes in assumptions for the discount rate and changes resulting from the experience study during the measurement period. The City's proportionate share of changes in assumptions as of the measurement date totaled \$285,999.



Supplementary Information  
September 30, 2021

**City of Gooding**

City of Gooding  
Combining Balance Sheet Nonmajor Governmental Funds  
September 30, 2021

	Capital Improvements	Parks and Recreation	Total Nonmajor Governmental Funds
Assets			
Cash	\$ 68,702	\$ 86,599	\$ 155,301
Receivables			
Property taxes	15,964	65,247	81,211
Revenue sharing	228	12,850	13,078
Restricted cash			
Golf course fees	-	3	3
Total assets	<u>\$ 84,894</u>	<u>\$ 164,699</u>	<u>\$ 249,593</u>
Liabilities			
Accounts payable	\$ -	\$ 2,171	\$ 2,171
Payroll payable	-	1,326	1,326
Total liabilities	<u>-</u>	<u>3,497</u>	<u>3,497</u>
Deferred Inflows of Resources			
Unavailable revenue - property taxes	15,861	64,820	80,681
Total deferred inflows of resources	<u>15,861</u>	<u>64,820</u>	<u>80,681</u>
Fund Balances			
Restricted	-	3	3
Committed	69,033	96,379	165,412
Total fund balances	<u>69,033</u>	<u>96,382</u>	<u>165,415</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 84,894</u>	<u>\$ 164,699</u>	<u>\$ 249,593</u>

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Governmental Funds  
Year Ended September 30, 2021

	Capital Improvements	Parks and Recreation	Total Nonmajor Governmental Funds
Revenues			
Property taxes	\$ 15,604	\$ 60,203	\$ 75,807
Sales tax /revenue sharing	696	39,153	39,849
Earnings on investments	48	61	109
Grants	-	300	300
Contributions and donations	-	100	100
Miscellaneous	-	9,652	9,652
Total revenues	<u>16,348</u>	<u>109,469</u>	<u>125,817</u>
Expenditures			
Salaries and benefits	-	32,233	32,233
Supplies	9,265	53,340	62,605
Capital outlay	-	-	-
Total expenditures	<u>9,265</u>	<u>85,573</u>	<u>94,838</u>
Excess of Revenues Over expenditures	7,083	23,896	30,979
Other Financing Sources			
Sale of assets	-	5,600	5,600
Total other financing sources (uses)	<u>-</u>	<u>5,600</u>	<u>5,600</u>
Net Change in Fund Balances	7,083	29,496	36,579
Fund Balances - Beginning of Year	<u>61,950</u>	<u>66,886</u>	<u>128,836</u>
Fund Balances - End of Year	<u>\$ 69,033</u>	<u>\$ 96,382</u>	<u>\$ 165,415</u>



Federal Awards Reports in Accordance with the Uniform  
Guidance

September 30, 2021

**City of Gooding**



**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***

Honorable Mayor and Members of the City Council  
City of Gooding  
Gooding, Idaho

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregated remaining fund information of the City of Gooding, Idaho (the City), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements and have issued our report thereon dated April 18, 2022.

**Internal Control over Financial Reporting**

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-001 that we consider to be a material weakness.

**Compliance and Other Matters**

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

**City's Response to Findings**

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

**Purpose of this Report**

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

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Twin Falls, Idaho

April 18, 2022





## **Independent Auditor's Report on Compliance for the Major Federal Program; Report on Internal Control Over Compliance Required by the Uniform Guidance**

Honorable Mayor and Members of the City Council  
City of Gooding  
Gooding, Idaho

### **Report on Compliance for the Major Federal Program**

We have audited City of Gooding's Idaho (the City) compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the City's major federal program for the year ended September 30, 2021. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### **Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the compliance for the City's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on the major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

### **Opinion on the Major Federal Program**

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the major Federal program for the year ended September 30, 2021.

### **Report on Internal Control over Compliance**

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

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



Twin Falls, Idaho  
April 18, 2022

City of Gooding  
Schedule of Expenditures of Federal Awards  
Year Ended September 30, 2021

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal Financial Assistance Listing</u>	<u>Pass-through Entity Identifying Number</u>	<u>Expenditures</u>
<u>Department of Agriculture</u>			
<i>Direct Programs</i>			
Water and Waste Disposal Systems for Rural Communities-grant	10.760		\$ 35,451
Total Department of Agriculture			<u>35,451</u>
<u>Department of Justice</u>			
<i>Direct Program</i>			
Public Safety Partnership and Community Policing Grants	16.710		<u>6,198</u>
Total Department of Justice			<u>6,198</u>
<u>Department of Environmental Quality</u>			
<i>Direct Program</i>			
Capitalization Grants for Drinking Water - loan	66.468		<u>446,900</u>
Total Department of Environmental Quality			<u>446,900</u>
<u>Department of Transportation</u>			
<i>Direct Program</i>			
Airport Improvement Program	20.106	AIP-3-16-0014-013-2019	180,683
Airport Improvement Program	20.106	AIP-3-16-0014-014-2020	95,618
Covid -19 Airport Improvement Program	20.106	AIP-3-16-0014-016-2020	30,000
Airport Improvement Program	20.106	AIP-3-16-0014-015-2020	<u>1,034,101</u>
Total Department of Transportation			<u>1,340,402</u>
Total Federal Financial Assistance			<u>\$ 1,828,951</u>

**Note 1 - Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of the City of Gooding (the City) under the program of the federal government for the year ended September 30, 2021. The information is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows.

**Note 2 - Summary of Significant Accounting Policies**

Expenditures reported in the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. No federal financial assistance has been provided to a subrecipient.

The City has not elected to use the 10% de minimus cost rate.

**Note 3 - Loan Programs**

Expenditures reported in this schedule consist of the beginning of the year outstanding loan balance of \$419,150 with the Idaho Department of Environmental Quality plus \$27,750 in advances made on a loan with the Idaho Department of Environmental Quality during the year. The outstanding balance of loans payable at September 30, 2021, was \$446,900.

**Section I – Summary of Auditor’s Results**

**FINANCIAL STATEMENTS**

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	Yes
Significant deficiencies identified not considered to be material weaknesses	None Reported
Noncompliance material to financial statements noted?	No

**FEDERAL AWARDS**

Internal control over major program:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Type of auditor's report issued on compliance for major program:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516:	No

**Identification of major programs:**

<u>Name of Federal Program</u>	<u>Federal Financial</u>
Airport Improvement Program	20.106
Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	No

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Section II – Financial Statement Findings

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**2021-001      Preparation of Financial Statements and Schedule of Expenditures of Federal Awards  
(Material Weakness)**

**Criteria:** A good system of internal accounting control contemplates an adequate system for recording and processing entries material to the financial statements, and the ability to internally prepare their financial statements and the Schedule of Expenditures of Federal Awards.

**Condition:** The City does not have an internal control system designed to provide for the preparation of the financial statements and the Schedule of Expenditures of Federal Awards being audited. The auditors were requested to, and did, draft the City's financial statements, and the Schedule of Expenditures of Federal Awards, and accompanying notes to the financial statements.

**Cause:** The City does not have an internal control system designed to provide for the preparation of the financial statements being and the Schedule of Expenditures of Federal Awards audited.

**Effect:** The financial disclosures in the financial statements and the Schedule of Expenditures of Federal Awards could be incomplete.

**Recommendation:** This circumstance is not unusual in a City of your size. It is the responsibility of management and those charged with governance to make the decision whether to accept the degree of risk associated with this condition because of cost or other considerations.

**Views of Responsible Officials:** The City agrees that having an internal control system over financial reporting is an important part of the City's overall internal control process. The City has performed a cost/benefit analysis of implementing these controls and concluded the resources were not in place to effectively implement the necessary changes for the year ended September 30, 2021.

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**Section III – Federal Award Findings and Questioned Costs**

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None