

CITY OF GOODING, IDAHO

Financial Statements

Year Ended September 30, 2024

CITY OF GOODING, IDAHO
Financial Statements
For the year ended September 30, 2024

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

INDEPENDENT AUDITOR'S REPORT

December 26, 2024

To the City Council
City of Gooding, Idaho
Gooding, Idaho

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and the aggregate discretely presented component unit of the City of Gooding, Idaho, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City of Gooding, Idaho's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and the aggregate discretely presented component unit of the City of Gooding, Idaho, as of September 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibility

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

Report Continued—

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and post-employment information on pages 29–31 and 32 be presented to supplement the basic financial statements. Management has omitted a management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 26, 2024, on our consideration of the City of Gooding, Idaho's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Workman & Company

Certified Public Accountants
Twin Falls, Idaho

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

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total Primary Government</u>	<u>Component Unit Urban Renewal</u>
<u>ASSETS</u>				
Current Assets:				
Cash and Deposits	\$ 3,533,622	\$ 6,651,717	\$ 10,185,339	\$ 40,607
Receivables:				
Accounts Receivable	11,851	243,159	255,010	
Property Taxes	1,361,329		1,361,329	
Due From Other Governments - State	171,184		171,184	
Prepaid Expenses			0	
Inventory	5,609		5,609	
Total Current Assets	<u>5,083,595</u>	<u>6,894,876</u>	<u>11,978,471</u>	<u>40,607</u>
Non-Current Assets:				
Land	77,089	103,789	180,878	377,083
Construction in Progress		20,333,064	20,333,064	
Buildings and Improvements	979,853		979,853	
Distribution and Operating Systems		14,065,584	14,065,584	
Vehicles and Equipment	1,549,454	2,020,474	3,569,928	
Infrastructure - Roads, Sidewalks, Street Lights	12,509,286		12,509,286	
Totals	<u>15,115,682</u>	<u>36,522,911</u>	<u>51,638,593</u>	<u>377,083</u>
Accumulated Deprecation	<u>(3,871,173)</u>	<u>(8,179,555)</u>	<u>(12,050,728)</u>	
Total Non-Current Assets	<u>11,244,509</u>	<u>28,343,356</u>	<u>39,587,865</u>	<u>377,083</u>
Other Assets and Deferred Outflows of Resources:				
Restricted Cash and Deposits		43,259	43,259	
Deferred Outflows from Pension Activity	155,635	82,686	238,321	0
Total Other Assets and Deferred Outflows of Resources	<u>155,635</u>	<u>125,945</u>	<u>281,580</u>	<u>0</u>
Total Assets	<u>16,483,739</u>	<u>35,364,177</u>	<u>51,847,916</u>	<u>417,690</u>
<u>LIABILITIES</u>				
Current Liabilities:				
Accounts and Interest Payable	196,693	942,260	1,138,953	
Advanced Revenues		656,202	656,202	
Health Reimbursements Payable	59,214		59,214	
Customer Deposits		43,949	43,949	
Due or Payable Within One Year - Notes/Bonds		373,409	373,409	
Total Current Liabilities	<u>255,907</u>	<u>2,015,820</u>	<u>2,271,727</u>	<u>0</u>
Non Current Liabilities and Deferred Inflows of Resources:				
Compensated Absences	61,837	32,852	94,689	
Unavailable Revenues - Property Taxes	1,286,009		1,286,009	
Bonds Payable, Less Current Portion		19,545,742	19,545,742	
Net Pension Liability	782,775	380,918	1,163,693	
Deferred Inflows from Pension Activity	0	0	0	
Total Non Current Liabilities and Deferred Outflows of Resources	<u>844,612</u>	<u>19,959,512</u>	<u>20,804,124</u>	<u>0</u>
Total Liabilities	<u>1,100,519</u>	<u>21,975,332</u>	<u>23,075,851</u>	<u>0</u>
<u>NET POSITION</u>				
Invested in Capital Assets - net of related debt	11,244,509	8,424,205	19,668,714	377,083
Restricted For:				
Debt Service		43,259	43,259	
Other Purposes	0		0	
Unrestricted	<u>2,852,702</u>	<u>4,921,381</u>	<u>7,774,083</u>	<u>40,607</u>
Total Net Position	<u>\$ 14,097,211</u>	<u>\$ 13,388,845</u>	<u>\$ 27,486,056</u>	<u>417,690</u>

The accompanying notes are a part of these financial statements.

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

Activities:	Expenses	Program Revenues		Net (Expense) Revenues and Changes in Net Assets			Component Unit Urban Renewal
		Fees, Fines, and Charges for Services	Capital Grants and Contributions	Governmental Activities	Business Type Activities	Total	
Governmental:							
General Government	\$ 265,896	\$ 40,000	\$ 850	(225,046)		\$ (225,046)	
Public Safety	934,428			(934,428)		(934,428)	
Highways and Streets	609,736		3,600,000	2,990,264		2,990,264	
Cultural and Recreation	106,875	275	65,470	(41,130)		(41,130)	
Airport Operations	65,792	28,214	51,395	13,817		13,817	
Depreciation	329,335			(329,335)		(329,335)	
Total Governmental Activities	<u>2,312,062</u>	<u>68,489</u>	<u>3,717,715</u>	<u>1,474,142</u>		<u>1,474,142</u>	
Business Type:							
Water	939,495	1,001,111	118,434		\$ 180,050	180,050	
Wastewater	751,691	1,301,037	1,867,166		2,416,512	2,416,512	
Sanitation	319,720	381,261			61,541	61,541	
Interest - on long-term debt	207,809				(207,809)	(207,809)	
Total Business-type Activities	<u>2,218,715</u>	<u>2,683,409</u>	<u>1,985,600</u>		<u>2,450,294</u>	<u>2,450,294</u>	
Total City of Gooding, Idaho	\$ <u>4,530,777</u>	\$ <u>2,751,898</u>	\$ <u>5,703,315</u>	<u>1,474,142</u>	<u>2,450,294</u>	<u>3,924,436</u>	
Component Unit:							
Urban Renewal Agency	\$ 9,618		0				<u>(9,618)</u>
Total							<u>(9,618)</u>
General Revenues:							
Property Taxes, Levied for General Purposes				1,257,764		1,257,764	
Franchises, Licenses, and Permits				121,792		121,792	
State Revenue				402,986		402,986	
Highway Users				415,684		415,684	
State Liquor				51,520		51,520	
Penalty and Interest on Property Taxes				9,223		9,223	
County Court Fines				19,688		19,688	
Miscellaneous				13,604		13,604	
Gain on Sale of Assets				3,710		3,710	
Loss on Fraudulent Activity					(2,995)	(2,995)	
Gain (Loss) on Pension Activity				(152,484)	22,607	(129,877)	
Earnings on investments							
General Fund				38,544		38,544	280
Other Funds				48,619	176,018	224,637	
Total general revenues and transfers				<u>2,230,650</u>	<u>195,630</u>	<u>2,426,280</u>	<u>280</u>
Changes in net position				3,704,792	2,645,924	6,350,716	(9,338)
Net Position - Beginning				<u>10,392,419</u>	<u>10,742,921</u>	<u>21,135,340</u>	<u>427,028</u>
Net Position - Ending				\$ <u>14,097,211</u>	\$ <u>13,388,845</u>	\$ <u>27,486,056</u>	\$ <u>417,690</u>

The accompanying notes are a part of these financial statements.

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

	General Fund	Airport Fund	Street Fund	Combined Other Governmental Funds	Total Governmental Funds
ASSETS:					
Cash and Cash Deposits	\$ 1,325,912	\$ 427,154	\$ 1,594,369	\$ 186,187	\$ 3,533,622
Taxes Receivable	939,262	27,230	313,146	81,691	1,361,329
Due From Other Governments	82,792		75,381	13,011	171,184
Gravel Inventory			5,609		5,609
Other Receivables	11,539	187	125		11,851
Total Assets	\$ 2,359,505	\$ 454,571	\$ 1,988,630	\$ 280,889	\$ 5,083,595
LIABILITIES:					
Accounts Payable	40,491	\$ 85,679	\$ 20,247	\$ 27,372	\$ 173,789
Accrued Payroll Liabilities	19,658	495	2,749		22,902
Health Reimbursements Payable	59,214				59,214
Total Liabilities	119,363	86,174	22,996	27,372	255,905
DEFERRED INFLOWS OF RESOURCES:					
Unavailable Revenue - Property Taxes	888,132	25,669	295,199	77,009	1,286,009
Total Deferred Inflows of Resources	888,132	25,669	295,199	77,009	1,286,009
FUND BALANCE:					
Non-spendable					0
Restricted					0
Committed					0
Assigned		342,728	1,670,435	176,508	2,189,671
Unassigned	1,352,010				1,352,010
Total Fund Balance	1,352,010	342,728	1,670,435	176,508	3,541,681
Total Liabilities and Fund Balance	\$ 2,359,505	\$ 454,571	\$ 1,988,630	\$ 280,889	

Amounts reported for governmental activities in the Statement of Net Position (page 3) are different because:

Governmental fund capital assets are not financial resources and therefore are not reported in the funds. The cost of assets is \$ 15,115,682 and the accumulated depreciation is \$ 3,871,173	11,244,509
Long-term liabilities, including debt and compensated absences are not payable in the current period and therefore are not reported in the governmental funds	(61,837)
Pension activity is not reported in the government funds	(627,141)
Net Position of Governmental Funds	\$ 14,097,212

The accompanying notes are a part of these financial statements.

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

	<u>General Fund</u>	<u>Airport Fund</u>	<u>Street Fund</u>	<u>Combined Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUE:					
Property taxes	\$ 844,040	\$ 34,963	\$ 280,929	\$ 97,832	\$ 1,257,764
Franchises, licenses, permits	106,612		15,180		121,792
State of Idaho shared revenue	250,979	1,607	104,005	46,395	402,986
State of Idaho liquor receipts	51,520				51,520
State highway user collections			355,496		355,496
Penalty collection / delinquent notices	9,223				9,223
County court fines	19,688				19,688
Highway Road and Bridge tax			60,188		60,188
Fees, fines and charges for services	40,000	28,214		275	68,489
Grants and contributions	850	51,395	3,600,000	65,470	3,717,715
Interest earnings	38,544	14,040	28,947	5,632	87,163
Proceeds from disposition of assets		1,275	19,947		21,222
Miscellaneous	8,508	4,617	479		13,604
	<u>1,369,964</u>	<u>136,111</u>	<u>4,465,171</u>	<u>215,604</u>	<u>6,186,850</u>
Total Revenue					
EXPENDITURES:					
General Government	263,342				263,342
Public Safety	970,960				970,960
Airport Operations		197,562			197,562
Streets			3,379,658		3,379,658
Parks and Recreation				159,974	159,974
Capital Outlay				53	53
	<u>1,234,302</u>	<u>197,562</u>	<u>3,379,658</u>	<u>160,027</u>	<u>4,971,549</u>
Total Expenditures					
EXCESS REVENUE (EXPENDITURES)	135,662	(61,451)	1,085,513	55,577	1,215,301
OTHER FINANCING SOURCES (USES):					
Operating transfers from other funds					0
Operating transfers (to) other funds					0
	<u>135,662</u>	<u>(61,451)</u>	<u>1,085,513</u>	<u>55,577</u>	<u>1,215,301</u>
NET CHANGE IN FUND BALANCES					
FUND BALANCE - BEGINNING	<u>1,216,348</u>	<u>404,179</u>	<u>584,922</u>	<u>120,931</u>	<u>2,326,380</u>
FUND BALANCE - ENDING	<u>\$ 1,352,010</u>	<u>\$ 342,728</u>	<u>\$ 1,670,435</u>	<u>\$ 176,508</u>	<u>\$ 3,541,681</u>

The accompanying notes are a part of these financial statements.

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

Net Change in Fund Balance - Total Governmental Funds (Page 6)	\$ 1,215,301
<p>Governmental funds report capital outlays as current year expenditures. In the Statement of Activities the cost of these assets is allocated over their estimated useful lives as depreciation expense. This is the amount of current capital outlay for new fixed assets.</p>	
This is the amount of current year depreciation.	(329,335)
This is the amount of new assets paid in the Government Funds.	3,013,483
This is the amount of disposed of Governmental Fund assets.	(17,512)
Amount of deferred property taxes received in the current period	0
<p>Liability for personal leave days are not recorded in Governmental Funds.</p>	
This is increase in compensated leave during the year	(24,661)
Gain (Loss) on Pension Activity	<u>(152,484)</u>
Change in Net Position of Governmental Activities (Page 4)	<u>\$ 3,704,792</u>

The accompanying notes are a part of these financial statements.

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

	<u>Water</u>	<u>Wastewater</u>	<u>Sanitation</u>	<u>Totals</u>
Assets:				
Current Assets:				
Cash and Deposits	\$ 2,723,382	\$ 3,538,001	\$ 390,334	\$ 6,651,717
Accts receivable	88,791	118,745	35,623	243,159
Total Current Assets	2,812,173	3,656,746	425,957	6,894,876
Non Current Assets:				
Plant and equipment	10,140,471	25,303,645	1,078,797	36,522,913
Accumulated depreciation	(3,142,952)	(4,019,133)	(1,017,472)	(8,179,557)
Net Non Current Assets	6,997,519	21,284,512	61,325	28,343,356
Other Assets and Deferred Outflows:				
of Resources:				
Restricted Cash and Deposits	43,259			43,259
Deferred Outflows from Pensions	32,137	32,873	17,676	82,686
Total Other Assets and Def.	75,396	32,873	17,676	125,945
Total Assets	9,885,088	24,974,131	504,958	35,364,177
Liabilities:				
Current Liabilities:				
Accounts and Interest Payable	173,216	749,412	19,632	942,260
Advanced Revenues	656,202			656,202
Customer Deposits	43,949			43,949
Current portion long-term debt	82,609	290,800		373,409
Total current liabilities	955,976	1,040,212	19,632	2,015,820
Noncurrent Liabilities and Deferred				
Inflows of Resources:				
Bonds & Loans Payable, Less Cur	4,466,542	15,079,200		19,545,742
Compensated Absences Payable	12,768	13,061	7,023	32,852
Net Pension Liability	126,682	165,336	88,900	380,918
Deferred Inflows from Pensions				0
Total noncurrent liabilities	4,605,992	15,257,597	95,923	19,959,512
Total Liabilities	5,561,968	16,297,809	115,555	21,975,332
Net Position:				
Investment in capital assets net of related debt	2,448,368	5,914,512	61,325	8,424,205
Restricted	43,259	0	0	43,259
Unrestricted	1,831,493	2,761,810	328,078	4,921,381
Total Net Position	\$ 4,323,120	\$ 8,676,322	\$ 389,403	\$ 13,388,845

The accompanying notes are a part of these financial statements.

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

	<u>Water</u>	<u>Wastewater</u>	<u>Sanitation</u>	<u>Totals</u>
Operating Revenues:				
Charges for services	\$ 919,630	\$ 1,292,391	\$ 380,320	\$ 2,592,341
Hookups, connections and misc. fees	81,481	8,646	941	91,068
Total Operating Revenue	<u>1,001,111</u>	<u>1,301,037</u>	<u>381,261</u>	<u>2,683,409</u>
Operating Expenses:				
Salaries and benefits	271,355	410,538	152,946	834,839
Administrative and supplies	368,538	258,738	127,920	755,196
Depreciation	299,602	82,415	38,854	420,871
Total Operating Expenses	<u>939,495</u>	<u>751,691</u>	<u>319,720</u>	<u>2,010,906</u>
Operating Income	<u>61,616</u>	<u>549,346</u>	<u>61,541</u>	<u>672,503</u>
Nonoperating Revenues (Expenses):				
Interest Income	78,290	86,473	11,255	176,018
Interest Expense	(126,169)	(81,640)		(207,809)
Grants	118,434	1,867,166		1,985,600
Gain (Loss) on Pension Activity	5,018	20,702	(3,113)	22,607
Loss on Fraudulent Activity		(2,995)		(2,995)
Total Nonoperating	<u>75,573</u>	<u>1,889,706</u>	<u>8,142</u>	<u>1,973,421</u>
Income before transfers	<u>137,189</u>	<u>2,439,052</u>	<u>69,683</u>	<u>2,645,924</u>
Transfers in				
Transfers out				
Net Income	137,189	2,439,052	69,683	2,645,924
Total Net Position - Beginning	<u>4,185,931</u>	<u>6,237,270</u>	<u>319,720</u>	<u>10,742,921</u>
Total Net Position - Ending	<u>\$ 4,323,120</u>	<u>\$ 8,676,322</u>	<u>\$ 389,403</u>	<u>\$ 13,388,845</u>

The accompanying notes are a part of these financial statements.

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

	<u>Water</u>	<u>Wastewater</u>	<u>Sanitation</u>	<u>Total</u>
Cash Flows From Operating Activities:				
Receipts from customers	\$ 1,001,134	\$ 1,295,985	\$ 378,445	\$ 2,675,564
Payments to suppliers	(307,535)	(1,032,052)	(125,122)	(1,464,709)
Payments to employees	(265,835)	(409,473)	(151,258)	(826,566)
Other receipts				0
Net cash provided (used) by operations	<u>427,764</u>	<u>(145,540)</u>	<u>102,065</u>	<u>384,289</u>
Cash Flows From Capital and Related Financing Activities:				
Purchase and construction of capital assets	(85,020)	(6,902,710)		(6,987,730)
Loss on Fraudulent Activity		(2,995)		(2,995)
Principal Increased (paid) on capital debt	(82,609)	6,072,116		5,989,507
Interest paid on capital debt	<u>(126,169)</u>	<u>(81,640)</u>		<u>(207,809)</u>
Net cash provided (used) by capital and related financing activities	<u>(293,798)</u>	<u>(915,229)</u>	<u>0</u>	<u>(1,209,027)</u>
Cash Flows From Investing Activities:				
Grant Receipts	33,414	1,867,166		1,900,580
Interest Income	<u>79,290</u>	<u>86,473</u>	<u>11,255</u>	<u>177,018</u>
Net cash provided (used) by investing	<u>112,704</u>	<u>1,953,639</u>	<u>11,255</u>	<u>2,077,598</u>
Net Increase (Decrease) in Cash and Deposits	246,670	892,870	113,320	1,252,860
Balances - Beginning of the year	<u>2,519,971</u>	<u>2,645,131</u>	<u>277,014</u>	<u>5,442,116</u>
Balances - Ending of the year	<u>\$ 2,766,641</u>	<u>\$ 3,538,001</u>	<u>\$ 390,334</u>	<u>\$ 6,694,976</u>
Displayed as:				
Pooled Cash and Investments	2,723,382	3,538,001	390,334	6,651,717
Restricted Assets	<u>43,259</u>	<u>0</u>	<u>0</u>	<u>43,259</u>
Balances - Ending of the year	<u>\$ 2,766,641</u>	<u>\$ 3,538,001</u>	<u>\$ 390,334</u>	<u>\$ 6,694,976</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:				
Operating Income	61,616	549,346	61,541	672,503
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation expense	299,602	82,415	38,854	420,871
Changes in assets and liabilities:				
Receivables, net	7,333	(5,052)	(2,817)	(536)
Accounts and other payables	54,904	(773,314)	2,799	0
Compensated absences	4,309	1,065	1,688	7,062
Customer deposits	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Cash Provided (Used) by Operating Activates	<u>\$ 427,764</u>	<u>\$ (145,540)</u>	<u>\$ 102,065</u>	<u>\$ 1,099,900</u>

The accompanying notes are a part of these financial statements.

CITY OF GOODING, IDAHO
NOTES TO THE FINANCIAL STATEMENTS
AT SEPTEMBER 30, 2024

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*.

CITY OF GOODING, IDAHO
NOTES TO THE FINANCIAL STATEMENTS
AT SEPTEMBER 30, 2024

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.

CITY OF GOODING, IDAHO
NOTES TO THE FINANCIAL STATEMENTS
AT SEPTEMBER 30, 2024

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 non-operating 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,

CITY OF GOODING, IDAHO
NOTES TO THE FINANCIAL STATEMENTS
AT SEPTEMBER 30, 2024

2024, 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

**CITY OF GOODING, IDAHO
NOTES TO THE FINANCIAL STATEMENTS
AT SEPTEMBER 30, 2024**

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

CITY OF GOODING, IDAHO
NOTES TO THE FINANCIAL STATEMENTS
AT SEPTEMBER 30, 2024

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

**CITY OF GOODING, IDAHO
NOTES TO THE FINANCIAL STATEMENTS
AT SEPTEMBER 30, 2024**

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), granters, 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

**CITY OF GOODING, IDAHO
NOTES TO THE FINANCIAL STATEMENTS
AT SEPTEMBER 30, 2024**

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 granter 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.

Note 2 - Detailed Notes on All Funds

Deposits

Following is a summary of the City's bank deposit balances as of September 30, 2024:

		<u>Bank Balances</u>
Insured	\$	476,340
Collateralized		5,623,749
Uninsured and uncollateralized		<u>4,128,509</u>
Total	\$	<u><u>10,228,598</u></u>

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, 2024, the carrying amount of the City's deposits was \$10,308,162 and the respective bank balances totaled \$10,228,598. Of the bank balances, \$4,128,509 was exposed to custodial credit risk because the balances were not covered by depository insurance or collateralized.

**CITY OF GOODING, IDAHO
NOTES TO THE FINANCIAL STATEMENTS
AT SEPTEMBER 30, 2024**

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.

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 actual tax levy for the year ended September 30, 2024 was \$1,283,473.

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, 2024, amounts billed and outstanding for the enterprise funds was \$243,159. No allowance for doubtful accounts has been recorded as all doubtful accounts are available to have tax liens attached to the real property involved, that will ultimately be collected by the county.

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, 2024.

CITY OF GOODING, IDAHO
NOTES TO THE FINANCIAL STATEMENTS
AT SEPTEMBER 30, 2024

Capital Assets

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

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental Activities:				
<i>Capital Assets not being depreciated:</i>				
Land	\$ 77,089	\$	\$	\$ 77,089
Construction in Progress	0			0
Total	<u>77,089</u>	<u>0</u>	<u>0</u>	<u>77,089</u>
 <i>Capital Assets being depreciated:</i>				
Buildings and Improvements	979,853			979,853
Vehicles and Equipment	1,475,183	94,285	(20,014)	1,549,454
Roads & Infrastructure	9,590,088	2,919,198		12,509,286
Total	12,045,124	3,013,483	(20,014)	15,038,593
Less: Accumulated Depreciation	<u>(3,544,340)</u>	<u>(329,335)</u>	<u>2,502</u>	<u>(3,871,173)</u>
Governmental capital assets, net	\$ <u>8,577,873</u>	\$ <u>2,684,148</u>	\$ <u>(17,512)</u>	\$ <u>11,244,509</u>
 Business-type activities:				
<i>Capital Assets not being depreciated:</i>				
Land	\$ 103,789	\$	\$	\$ 103,789
Construction in Progress	13,430,354	6,902,710		20,333,064
Total	<u>13,534,143</u>	<u>6,902,710</u>	<u>0</u>	<u>20,436,853</u>
 <i>Capital Assets being depreciated:</i>				
Distribution and Operating System	13,980,564	85,020		14,065,584
Machinery and Equipment	2,020,474			2,020,474
Total	16,001,038	85,020	0	16,086,058
Less: Accumulated Depreciation	<u>(7,758,684)</u>	<u>(420,871)</u>		<u>(8,179,555)</u>
Total Net Depreciated Assets	<u>8,242,354</u>	<u>(335,851)</u>	<u>0</u>	<u>7,906,503</u>
Business-type capital assets, net	\$ <u>21,776,497</u>	\$ <u>6,566,859</u>	\$ <u>0</u>	\$ <u>28,343,356</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. At the financial statement date no lease obligations were outstanding.

**CITY OF GOODING, IDAHO
NOTES TO THE FINANCIAL STATEMENTS
AT SEPTEMBER 30, 2024**

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. In 2024 the interim financing was paid from the final Sewer Revenue Bond, Series 2024 in the amount of \$15,370,000. The bond is required to be repaid in annual installments of \$502,138 including principal and interest over the next 40 years. Interest is accrued yearly at a rate of 1.375% and the loan is expected to be repaid by the net revenues of the City's wastewater system.

The following is a summary of debt maturity requirements for bonds payable to the USDA as of September 30, 2024.

Water Revenue Bond, Series 2018				Sewer Revenue Bond, Series 2024			
Fiscal Year Ended	Principal	Interest	Total	Fiscal Year Ended	Principal	Interest	Total
2025	\$ 82,609	\$ 125,091	\$ 207,700	2025	\$ 290,801	\$ 211,338	\$ 502,139
2026	84,881	122,819	207,700	2026	294,799	207,339	502,138
2027	87,215	120,485	207,700	2027	298,852	203,286	502,138
2028	89,614	118,086	207,700	2028	302,962	199,176	502,138
2029	92,078	115,622	207,700	2029	307,127	195,011	502,138
2030-2034	499,793	538,707	1,038,500	2030-2034	1,600,156	910,534	2,510,690
2035-2039	572,400	466,100	1,038,500	2035-2039	1,713,233	797,457	2,510,690
2040-2044	655,554	382,946	1,038,500	2040-2044	1,834,302	676,387	2,510,689
2045-2049	750,789	287,711	1,038,500	2045-2049	1,963,926	546,764	2,510,690
2050-2054	859,859	178,641	1,038,500	2050-2054	2,102,711	407,979	2,510,690
2055-2058	774,348	53,810	828,158	2055-2059	2,251,303	259,387	2,510,690
				2060-2065	2,409,828	100,287	2,510,115
Totals	\$ 4,549,140	\$ 2,510,018	\$ 7,059,158		15,370,000	\$ 4,714,945	\$ 20,084,945

CITY OF GOODING, IDAHO
NOTES TO THE FINANCIAL STATEMENTS
AT SEPTEMBER 30, 2024

Note 3- Discretely Presented Component Unit

In 2024, 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 2024.

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.

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.

**CITY OF GOODING, IDAHO
NOTES TO THE FINANCIAL STATEMENTS
AT SEPTEMBER 30, 2024**

Member and Employer Contributions

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

The contribution rates for employees are set by statute at 60% of the employer rate for general employees and 74% for police and firefighters. As of June 30, 2024, it was 6.71% for general employees and 9.83% for police and firefighters. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.18% for general employees and 13.26% for police and firefighters. The City's contributions were \$175,565 for the year ended September 30, 2024.

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

At September 30, 2024, the City reported an asset for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2024, 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, 2024, the City's proportion was .03204382 percent.

For the year ended September 30, 2024, the City recognized pension expense (expense offset) of \$164,830. At September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**CITY OF GOODING, IDAHO
NOTES TO THE FINANCIAL STATEMENTS
AT SEPTEMBER 30, 2024**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 0	\$ 0
Changes in assumptions or other inputs	\$ 47,485	
Net difference between projected and actual earnings on pension plan investments	\$ 190,835	
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	\$(43,891)	
City's contributions subsequent to the measurement date	\$ 43,891	
Total	\$ 238,320	\$ 0

\$43,891 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2025.

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

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

**CITY OF GOODING, IDAHO
NOTES TO THE FINANCIAL STATEMENTS
AT SEPTEMBER 30, 2024**

Year ended September 30, 2024:

2025	\$ 72,350
2026	\$ (27,548)
2027	\$ (38,541)
2028	\$ (27,548)

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, 2022, 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	1.0%

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 Disabled	Pub-2010 Safety Tables, increased 26%
Members-Males Disabled	Pub-2010 Disabled Tables, increased 38%
Members-Females	Pub-2010 Disabled Tables, increased 36%

**CITY OF GOODING, IDAHO
NOTES TO THE FINANCIAL STATEMENTS
AT SEPTEMBER 30, 2024**

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

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

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

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

2024		
	DB Plans	Sick Leave
Asset Class		
Fixed Income	30.00%	50.00%
US/Global Equity	55.00%	39.30%
International Equity	15.00%	10.70%
Cash	0.00%	0.00%
<i>Discount Rate</i>		

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

**CITY OF GOODING, IDAHO
NOTES TO THE FINANCIAL STATEMENTS
AT SEPTEMBER 30, 2024**

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)	\$ 1,186,660	\$ 1,198,646	\$ 1,210,632

Pension plan fiduciary net position

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

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

Payables to the pension plan

At September 30, 2024, 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.

**CITY OF GOODING, IDAHO
NOTES TO THE FINANCIAL STATEMENTS
AT SEPTEMBER 30, 2024**

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.

In May of the current fiscal year, the City was the target of a fraudulent invoicing payment scheme in the Sewer construction fund in which \$1,092,519 was stolen by outside parties. Federal law enforcement agencies recovered \$989,524 of these monies and remitted them back to the City. The City's insurance carrier has paid \$100,000 to the City on this claim. At the financial statement date, federal agencies are continuing to pursue approximately \$97,000 of the original fraudulent activity. It is the City's position that if any additional money is recovered these funds will be paid back against the insurance claim.

**REQUIRED
SUPPLEMENTARY INFORMATION**

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

	<u>Original Budget Amounts</u>	<u>Final Budget Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUE:				
Property Taxes	\$ 850,287	\$ 850,287	\$ 844,040	\$ (6,247)
Franchises, licenses, permits	101,400	101,400	106,612	5,212
State of Idaho shared revenue	286,331	286,331	250,979	(35,352)
State of Idaho liquor receipts	55,580	55,580	51,520	(4,060)
Penalty and interest on property taxes	12,560	12,560	9,223	(3,337)
County court fines	11,000	11,000	19,688	8,688
Fees, fines, and charges for services	41,000	41,000	40,000	(1,000)
Grants and contributions	16,250	16,250	850	(15,400)
Earnings on investments	14,000	14,000	38,544	24,544
Gain on Sale of Assets	800	800	0	(800)
Miscellaneous	1	1	8,508	8,507
Total Revenue	<u>1,389,209</u>	<u>1,389,209</u>	<u>1,369,964</u>	<u>(19,245)</u>
EXPENDITURES:				
General Government	391,768	391,768	263,342	128,426
Public Safety	997,441	997,441	970,960	26,481
Total Expenditures	<u>1,389,209</u>	<u>1,389,209</u>	<u>1,234,302</u>	<u>154,907</u>
EXCESS REVENUE (EXPENDITURES)	0	0	135,662	135,662
OTHER FINANCING SOURCES (USES):				
Operating transfers from other funds			0	0
Operating transfers (to) other funds			<u>0</u>	<u>0</u>
NET CHANGE IN FUND BALANCES	0	0	135,662	135,662
FUND BALANCE - BEGINNING	<u>1,216,348</u>	<u>1,216,348</u>	<u>1,216,348</u>	<u>0</u>
FUND BALANCE - ENDING	<u>\$ 1,216,348</u>	<u>\$ 1,216,348</u>	<u>\$ 1,352,010</u>	<u>\$ 135,662</u>

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

	<u>Original Budget Amounts</u>	<u>Final Budget Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUE:				
Property Taxes	\$ 35,555	\$ 35,555	\$ 34,963	\$ (592)
State of Idaho shared revenue	1,840	1,840	1,607	(233)
Rents - hanger and land	14,549	14,549	15,760	1,211
Operator fuel	5,100	5,100	6,454	1,354
Permits and Spraying	6,000	6,000	6,000	0
Grants and contributions	558,000	558,000	51,395	(506,605)
Earnings on investments	4,100	4,100	14,040	9,940
Gain on Sale of Assets			1,275	1,275
Miscellaneous			4,617	4,617
Total Revenue	<u>625,144</u>	<u>625,144</u>	<u>136,111</u>	<u>(489,033)</u>
EXPENDITURES:				
General Government - Airport Operations	701,045	701,045	197,562	503,483
Total Expenditures	<u>701,045</u>	<u>701,045</u>	<u>197,562</u>	<u>503,483</u>
EXCESS REVENUE (EXPENDITURES)	(75,901)	(75,901)	(61,451)	14,450
OTHER FINANCING SOURCES (USES):				
Operating transfers from other funds				0
Operating transfers (to) other funds				0
NET CHANGE IN FUND BALANCES	(75,901)	(75,901)	(61,451)	14,450
FUND BALANCE - BEGINNING	<u>404,179</u>	<u>404,179</u>	<u>404,179</u>	<u>0</u>
FUND BALANCE - ENDING	<u>\$ 328,278</u>	<u>\$ 328,278</u>	<u>\$ 342,728</u>	<u>\$ 14,450</u>

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

	<u>Original Budget Amounts</u>	<u>Final Budget Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUE:				
Property Taxes	\$ 283,200	\$ 283,200	\$ 280,929	\$ (2,271)
Franchises, licenses, permits	13,400	13,400	15,180	1,780
State of Idaho shared revenue	118,450	118,450	104,005	(14,445)
Highway revenue county	51,000	51,000	60,188	9,188
State highway user collections	257,185	257,185	355,496	98,311
Fees, fines, and charges for services	0	0	0	0
Grants and contributions	0	3,600,000	3,600,000	0
Earnings on investments	6,400	6,400	28,947	22,547
Proceeds from disposition of assets			19,947	19,947
Miscellaneous	0	0	479	479
Total Revenue	<u>729,635</u>	<u>4,329,635</u>	<u>4,465,171</u>	<u>135,536</u>
EXPENDITURES:				
Streets	729,635	3,485,282	3,379,658	105,624
Total Expenditures	<u>729,635</u>	<u>3,485,282</u>	<u>3,379,658</u>	<u>105,624</u>
EXCESS REVENUE (EXPENDITURES)	0	844,353	1,085,513	241,160
OTHER FINANCING SOURCES (USES):				
Operating transfers from other funds				0
Operating transfers (to) other funds				0
NET CHANGE IN FUND BALANCES	0	844,353	1,085,513	241,160
FUND BALANCE - BEGINNING	<u>584,922</u>	<u>584,922</u>	<u>584,922</u>	<u>0</u>
FUND BALANCE - ENDING	<u>\$ 584,922</u>	<u>\$ 1,429,275</u>	<u>\$ 1,670,435</u>	<u>\$ 241,160</u>

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

Required Supplementary Information

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Employer's portion of the net pension liability	.0383104%	.0384052%	.0411506%	.0382130%	.360288%
Employer's proportionate share of the net pension liability (asset)	\$ 437,302	\$ 566,484	\$ 646,817	\$ 774,636	\$ 474,440
Employer's covered-employee payroll	\$ 1,282,299	\$ 1,162,414	\$ 1,266,918	\$ 1,106,859	\$ 999,440
Employer's proportional share of the net pension liability (asset) as a percentage of its covered-employee payroll	34.10%	48.73%	51.05%	69.99%	47.47%
Plan fiduciary net position as a percentage of the total pension liability (asset)	93.79%	91.69%	90.68%	87.26%	91.38%
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Employer's portion of the net pension liability	.03204382%	.03135705%	.0313690%	.0315475%	.0332856%
Employer's proportionate share of the net pension liability (asset)	\$ 1,198,646	\$ 1,251,357	\$ 1,235,549	\$ (24,915)	\$ 772,935
Employer's covered-employee payroll	\$ 1,475,871	\$ 1,317,482	\$ 1,194,566	\$ 1,083,647	\$ 1,067,210
Employer's proportional share of the net pension liability (asset) as a percentage of its covered-employee payroll	81.22%	94.98%	103.43%	-2.30%	72.43%
Plan fiduciary net position as a percentage of the total pension liability (asset)	85.54%	83.83%	83.09%	100.36%	88.22%

Data reported is measured as of June 30, 2024

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutorily required contributions	\$ 148,199	\$ 132,781	\$ 144,682	\$ 126,514	\$ 114,236
Contributions in relation to the statutorily required contribution	\$ (148,199)	\$ (132,781)	\$ (144,682)	\$ (126,514)	\$ (114,236)
Contribution (deficiency) excess	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Employer's covered-employee payroll	\$ 1,282,299	\$ 1,162,414	\$ 1,266,918	\$ 1,106,859	\$ 999,440
Contributions as a percentage of covered-employee payroll	11.56%	11.42%	11.42%	11.43%	12.03%
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Statutorily required contributions	\$ 175,565	\$ 158,641	\$ 143,929	\$ 130,423	\$ 128,371
Contributions in relation to the statutorily required contribution	\$ (175,565)	\$ (158,641)	\$ (143,929)	\$ (130,423)	\$ (128,371)
Contribution (deficiency) excess	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Employer's covered-employee payroll	\$ 1,475,871	\$ 1,317,482	\$ 1,194,566	\$ 1,083,647	\$ 1,067,210
Contributions as a percentage of covered-employee payroll	11.90%	12.04%	12.05%	12.04%	12.03%

**OTHER
SUPPLEMENTARY INFORMATION**

CITY OF GOODING, IDAHO
Combining Balance Sheets
Combining Other Governmental Funds
at September 30, 2024

	<u>Capital Improvement Fund</u>	<u>Parks and Recreation Fund</u>	<u>Total Combined Other Governmental Funds</u>
ASSETS:			
Cash and Cash Deposits	\$ 77,107	\$ 109,080	\$ 186,187
Taxes Receivable	13,615	68,076	81,691
Due From Other Governments		13,011	13,011
	<hr/>	<hr/>	<hr/>
Total Assets	\$ <u>90,722</u>	\$ <u>190,167</u>	<u>280,889</u>
LIABILITIES:			
Accounts Payable	\$	\$ 27,372	\$ 27,372
Deferred Revenues	12,835	64,174	77,009
Due To Other Funds			0
	<hr/>	<hr/>	<hr/>
Total Liabilities	<u>12,835</u>	<u>91,546</u>	<u>104,381</u>
FUND BALANCE:			
Non-spendable			0
Restricted			0
Committed			0
Assigned	77,887	98,621	176,508
Unassigned			0
	<hr/>	<hr/>	<hr/>
Total Fund Balance	<u>77,887</u>	<u>98,621</u>	<u>176,508</u>
Total Liabilities and Fund Balance	\$ <u>90,722</u>	\$ <u>190,167</u>	<u>280,889</u>

The accompanying notes are a part of these financial statements.

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

	<u>Capital Improvement Fund</u>	<u>Park and Recreation Fund</u>	<u>Total Combined Other Governmental Funds</u>
REVENUE:			
Property taxes	\$ 26,031	\$ 71,801	\$ 97,832
State of Idaho shared revenue	807	45,588	46,395
Proceeds from sale of assets			0
Fees and charges for services		275	275
Grants and contributions		65,470	65,470
Earnings on investments	1,909	3,723	5,632
Miscellaneous			0
	<u>28,747</u>	<u>186,857</u>	<u>215,604</u>
EXPENDITURES:			
Capital outlay	53		53
Parks and Recreation		159,974	159,974
	<u>53</u>	<u>159,974</u>	<u>160,027</u>
EXCESS REVENUE (EXPENDITURES)	28,694	26,883	55,577
OTHER FINANCING SOURCES (USES):			
Operating transfers from other funds			0
Operating transfers (to) other funds			0
	<u>28,694</u>	<u>26,883</u>	<u>55,577</u>
NET CHANGE IN FUND BALANCES	28,694	26,883	55,577
FUND BALANCE - BEGINNING	<u>49,193</u>	<u>71,738</u>	<u>120,931</u>
FUND BALANCE - ENDING	<u>\$ 77,887</u>	<u>\$ 98,621</u>	<u>\$ 176,508</u>

The accompanying notes are a part of these financial statements.

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

**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**

December 26, 2024

To the City Council
City of Gooding, Idaho

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Gooding, Idaho, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City of Gooding, Idaho's basic financial statements, and have issued our report thereon dated December 26, 2024.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did identify certain deficiencies in internal control that we consider to be material weaknesses and have described these in the accompanying schedule of findings and responses (2024-1).

Compliance and Other Matters

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

Report Continued—

Purpose of this Report

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

Workman & Company

WORKMAN AND COMPANY
Certified Public Accountants
Twin Falls, Idaho

CITY OF GOODING, IDAHO
Schedule of Findings and Responses
For the Year Ended September 30, 2024

2024-1

Preparation of Financial Statements (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.

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

Effect: The financial disclosures in the financial 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, 2024.

SINGLE AUDIT SECTION

**CITY OF GOODING, IDAHO
GOODING COUNTY, IDAHO**

**Schedule of Expenditures of Federal Awards
for the year ended September 30, 2024**

Federal Grantor/Pass-through Grantor/Program Title	Catalog of Federal Domestic Assistance Number	Pass-through Entity Identifying Number	Expenditures During Audit Period	Totals
U.S. Department of Commerce:				
Community Development Block Grant	14.228		\$ <u>3,000</u>	
Total				\$ 3,000
Federal Aviation Administration:				
Airport Improvement Program	20.106		<u>141,652</u>	
Total				141,652
U.S. Department of Environmental Quality:				
ARPA Grant	21.027		<u>760,528</u>	
Total				760,528
U.S. Department of Agriculture:				
Water and Wastewater Disposal System for Rural Communities	10.760		1,140,277	
Community Facility Loans and Grants	10.766		<u>5,620,108</u>	
Total				<u>6,760,385</u>
Total All Programs				\$ <u>7,665,565</u>

**CITY OF GOODING, IDAHO
GOODING COUNTY, IDAHO**

**Schedule of Expenditures of Federal Awards
for the year ended September 30, 2023**

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Gooding, Idaho. The Information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City of Gooding, Idaho, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on 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.

NOTE 3 - DE MINIMIS INDIRECT COST RATE

The City of Gooding, Idaho has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

The examination of the records of the City of Gooding, Idaho for the year ended September 30, 2023 revealed no areas of comments, findings or questioned costs.

SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS

The examination of the records of the City of Gooding, Idaho for the year ended September 30, 2024 revealed no areas of comments, findings or questioned costs.

CITY OF GOODING, IDAHO
Year Ended September 30, 2024
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section 1 – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:
 Material weakness(es) identified? ___ yes X No
 Significant deficiencies identified that are
 not considered to be material weakness(es) ___ yes X None reported

Noncompliance material to financial statements
 noted? ___ yes X No

Federal Awards

Internal control over major programs:
 Material weakness(es) identified? ___ yes X No
 Significant deficiencies identified that are
 not considered to be material weakness(es) ___ yes X None reported

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

Any audit findings disclosed that are required
 to be reported in accordance with Uniform
 Guidance 2 CFR 200.516? ___ yes X No

Identification of major programs:

Federal CFDA Number

U.S. Federal Aviation Administration Airport Improvement Program	20.526
U.S. Department of Agriculture:	
Water and Wastewater Disposal System Rural Communities	10.760
Community Facility Loans and Grants	10.766
Dollar threshold used to distinguish between type A and type B programs:	\$ 750,000
Auditee qualified as low-risk auditee?	<u>X</u> Yes ___ no

Section II – Financial Statement Findings

No significant deficiencies, material weaknesses, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements were reported.

Section III – Federal Award Findings and Questioned Costs

No significant deficiencies, material weaknesses, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements were reported.

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

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

December 26, 2024

To the City Council
City of Gooding, Idaho
Gooding, Idaho

Report on Compliance for Each Major Federal Program

We have audited the City of Gooding, Idaho's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Gooding, Idaho's major federal programs for the year ended September 30, 2024. City of Gooding, Idaho's major federal programs are 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 compliance for each of the City of Gooding, Idaho's major federal programs 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 types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Gooding, Idaho'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 of Gooding, Idaho's compliance.

Opinion on Each Major Federal Program

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

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance.

Report on Internal Control over Compliance

Management of the City of Gooding, Idaho, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Gooding, Idaho's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each 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 of Gooding, Idaho'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 combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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.

Workman & Company

WORKMAN AND COMPANY
Certified Public Accountants
Twin Falls, Idaho