

CITY OF NEW MEADOWS, IDAHO

Report on Audited
Basic
Financial Statements
and
Supplemental Information

For the Year Ended September 30, 2021

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Independent Auditor's Report

Honorable Mayor
and City Council
New Meadows, Idaho

Report on the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of New Meadows, Idaho, as of September 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of New Meadows and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Management's Responsibility for the Financial Statements

The City of New Meadows' 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 New Meadows's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibility for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of New Meadow'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 New Meadow's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that budgetary comparison information, schedule of the City's proportionate share of Net Pension Liability, and schedule of City contributions on pages 32 through 35 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's 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.

Management has omitted 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of New Meadows, Idaho’s basic financial statements. The schedules of revenues by source and expenditures by object for the General Fund, and the combining nonmajor funds financial statements, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedules of revenues by source and expenditures by object for the General Fund, and the combining 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 schedules of revenues by source and expenditures by object for the General Fund and the combining fund 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 May 16, 2022, on our consideration of the City of New Meadows, Idaho’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is 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 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 of New Meadows, Idaho’s internal control over financial reporting and compliance.

Zwygart John & Associates, CPAs PLLC

Nampa, Idaho
May 16, 2022

City of New Meadows, Idaho
Statement of Net Position
September 30, 2021

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Current Assets:			
Cash and Cash Equivalents	\$ 89,409	\$ 592,621	\$ 682,030
Receivables, Net:			
Accounts	-	73,933	73,933
Property Taxes	8,375	-	8,375
Other	1,906	5,966	7,872
Due From Other Governments	13,861	-	13,861
Employee Advances	-	-	-
Prepaid Insurance	3,056	9,171	12,227
Noncurrent Assets:			
Restricted Cash	-	63,642	63,642
Net Pension Asset	861	2,686	3,547
Capital Assets:			
Land and Construction in Progress	149,520	3,053,704	3,203,224
Buildings, Net	19,688	393,462	413,150
Equipment, Net	37,245	20,035	57,280
Improvements, Net	138,046	232,769	370,815
Total Capital Assets	<u>344,499</u>	<u>3,699,970</u>	<u>4,044,469</u>
Total Assets	<u>461,967</u>	<u>4,447,989</u>	<u>4,909,956</u>
Deferred Outflows			
Pension Related Items	16,830	33,422	50,252
Total Deferred Inflows	<u>16,830</u>	<u>33,422</u>	<u>50,252</u>
Liabilities			
Current Liabilities:			
Accounts Payable	4,874	6,213	11,087
Accrued Interest	-	2,034	2,034
Customer Deposits	-	6,791	6,791
Long-term Liabilities:			
Portion Due or Payable Within One Year:			
Compensated Absences	6,680	10,020	16,700
Bond Payable	-	26,161	26,161
Portion Due or Payable After One Year:			
Bond Payable	-	957,501	957,501
Total Liabilities	<u>11,554</u>	<u>1,008,720</u>	<u>1,020,274</u>
Deferred Inflows			
Pension Related Items	37,949	75,454	113,403
Total Deferred Inflows	<u>37,949</u>	<u>75,454</u>	<u>113,403</u>
Net Position			
Invested in Capital Assets, Net of Related Debt	344,499	2,716,308	3,060,807
Restricted	2,918	63,642	66,560
Unrestricted Surplus	81,877	617,287	699,164
Total Net Position	<u>\$ 429,294</u>	<u>\$ 3,397,237</u>	<u>\$ 3,826,531</u>

The accompanying notes are an integral
part of the financial statements.

City of New Meadows, Idaho
Statement of Activities
For the Year Ended September 30, 2021

	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total Primary Government
Primary Government:							
Governmental Activities:							
General Administration	\$ 186,914	\$ 26,695	\$ 1,548	\$ -	\$ (158,671)	\$ -	\$ (158,671)
Highways and Streets	125,501	-	-	-	(125,501)	-	(125,501)
Wages, Taxes, and Retirement	35,833	-	-	-	(35,833)	-	(35,833)
Parks and Recreation	33,994	-	75,960	-	41,966	-	41,966
Public Safety - Police	18,451	-	-	-	(18,451)	-	(18,451)
Planning and Zoning	221	-	-	-	(221)	-	(221)
Total Governmental Activities	<u>400,914</u>	<u>26,695</u>	<u>77,508</u>	<u>-</u>	<u>(296,711)</u>	<u>-</u>	<u>(296,711)</u>
Business-type Activities:							
Water	125,536	239,041	-	132,544	-	246,049	246,049
Sewer	178,858	244,348	-	3,600	-	69,090	69,090
Industrial Park	41,074	8,756	-	-	-	(32,318)	(32,318)
Total Business-type Activities	<u>345,468</u>	<u>492,145</u>	<u>-</u>	<u>136,144</u>	<u>-</u>	<u>282,821</u>	<u>282,821</u>
Total Primary Government	<u>\$ 746,382</u>	<u>\$ 518,840</u>	<u>\$ 77,508</u>	<u>\$ 136,144</u>	<u>(296,711)</u>	<u>282,821</u>	<u>(13,890)</u>
General Revenues:							
Property Taxes					159,552	-	159,552
State Sources					122,326	-	122,326
Other					3,248	-	3,248
Unrestricted Investment Earnings					314	1,269	1,583
Total General Revenues and Special Items					<u>285,440</u>	<u>1,269</u>	<u>286,709</u>
Change in Net Position					(11,271)	284,090	272,819
Net Position, Beginning					<u>440,565</u>	<u>3,113,147</u>	<u>3,553,712</u>
Net Position, End of Year					<u>\$ 429,294</u>	<u>\$ 3,397,237</u>	<u>\$ 3,826,531</u>

The accompanying notes are an integral
part of the financial statements.

City of New Meadows, Idaho
 Balance Sheet -
 Governmental Funds
 September 30, 2021

	General Fund	Grant Fund	Non Major Fund Utility Assistance Program	Total Governmental Funds
Assets				
Cash and Cash Equivalents	\$ 120,991	\$ -	\$ 2,918	\$ 123,909
Property Taxes Receivable, Net	8,375	-	-	8,375
Other Receivables, Net	1,906	-	-	1,906
Due From Other Governments	13,861	-	-	13,861
Prepaid Insurance	3,056	-	-	3,056
Total Assets	\$ 148,189	\$ -	\$ 2,918	\$ 151,107
Liabilities, Deferred Inflows and Fund Balances				
Liabilities				
Accounts Payable	\$ 4,874	\$ -	\$ -	\$ 4,874
Internal Balances	-	34,500	-	34,500
Total Liabilities	4,874	\$ 34,500	\$ -	39,374
Deferred Inflows				
Unavailable Revenue - Property Taxes	6,350	-	-	6,350
Total Deferred Inflows	6,350	-	-	6,350
Fund Balances				
Nonspendable				
Prepays	3,056	-	-	3,056
Restricted	-	-	2,918	2,918
Unassigned	133,909	(34,500)	-	99,409
Total Fund Balances	136,965	(34,500)	2,918	105,383
Total Liabilities, Deferred Inflows and Fund Balance	\$ 148,189	\$ -	\$ 2,918	\$ 151,107

The accompanying notes are an integral
 part of the financial statements.

City of New Meadows, Idaho
 Reconciliation of the Balance Sheet of the
 Governmental Funds to the Statement of Net Position
 September 30, 2021

Total Fund Balances - Governmental Funds \$ 105,383

Amounts reported for governmental activities in the Statement of Net Position are different because of the following:

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

Land	\$ 149,520	
Buildings, net of \$51,420 accumulated depreciation	19,688	
Improvements, net of \$254,132 accumulated depreciation	37,245	
Equipment, net of \$100,898 accumulated depreciation	<u>138,046</u>	
		344,499

Property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds. 6,350

The District participates in the Public Employer Retirement System of Idaho, which is a cost-sharing plan. As a participant they are required to report their share of the Net Pension Liability and the related deferred inflows and outflows on their Statement of Net Position.

Net Pension Liability	\$ 861	
Pension Related Deferred Inflows	(37,949)	
Pension Related Deferred Outflows	<u>16,830</u>	
		(20,258)

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Compensated absences are not accrued in governmental funds, but rather are recognized as an expenditure when due. All liabilities, both current and long-term, are reported in the Statement of Net Position.

Compensated Absences	<u>\$ (6,680)</u>	
		<u>(6,680)</u>

Net Position of Governmental Activities \$ 429,294

The accompanying notes are an integral
 part of the financial statements.

City of New Meadows, Idaho
Statement of Revenues, Expenditures, and
Changes in Fund Balances -
Governmental Funds
For the Year Ended September 30, 2021

	General Fund	Grant Fund	Non Major Fund Utility Assistance Program	Total Governmental Funds
Revenues				
Property Taxes	\$ 159,718	\$ -	\$ -	\$ 159,718
Licenses and Permits	8,394	-	-	8,394
Intergovernmental	122,326	-	-	122,326
Grants and Donations	75,960	-	1,548	77,508
Earnings on Investments	314	-	-	314
Other	21,549	-	-	21,549
Total Revenues	<u>388,261</u>	<u>-</u>	<u>1,548</u>	<u>389,809</u>
Expenditures				
Current:				
General Administration	144,455	39,500	212	184,167
Highways and Streets	118,016	-	-	118,016
Wages, Taxes, and Retirement	49,101	-	-	49,101
Parks and Recreation	19,323	-	-	19,323
Public Safety - Police	18,451	-	-	18,451
Planning and Zoning	221	-	-	221
Capital Outlay	2,547	-	-	2,547
Total Expenditures	<u>352,114</u>	<u>39,500</u>	<u>212</u>	<u>391,826</u>
Net Change in Fund Balances	36,147	(39,500)	1,336	(2,017)
Fund Balances - Beginning	100,818	5,000	1,582	107,400
Fund Balances - Ending	<u>\$ 136,965</u>	<u>\$ (34,500)</u>	<u>\$ 2,918</u>	<u>\$ 105,383</u>

The accompanying notes are an integral
part of the financial statements.

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

Total Net Change in Fund Balance - Governmental Funds \$ (2,017)

Amounts reported for governmental activities in the Statement of Activities are different because of the following:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their useful lives as depreciation expense. Conversely, disposals of capital assets do not report a gain or loss in the governmental funds but in the Statement of Activities the remaining cost of the asset(s) is written off. In the current period these amounts are:

Depreciation Expense	<u>\$ (22,356)</u>	
Net		(22,356)

Because some property taxes will not be collected for several months after the City's fiscal year ends, they are not considered as "available" revenues in the governmental funds and are, instead, counted as deferred tax revenues. They are, however, recorded as revenues in the Statement of Activities. (166)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and are not reported as expenditures in governmental funds. This requires an adjustment in the following accounts:

Compensated Absences	7,110
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The City participates in the Public Employer Retirement System of Idaho, which is a cost-sharing plan. As a participant they are required to report their share of the Net Pension Liability and the related deferred inflows and outflows on their Statement of net Position. The changes in the Net Pension Liability and the related deferred inflows and outflows does not affect the governmental funds, but are reported in the Statement of Activities. 6,158

Change in Net Position of Governmental Activities	<u><u>\$ (11,271)</u></u>
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The accompanying notes are an integral
 part of the financial statements.

City of New Meadows, Idaho
Statement of Net Position -
Proprietary Funds
September 30, 2021

	Business-type Activities - Enterprise Funds			
	Water	Sewer	Industrial Park	Total
Assets				
Current Assets:				
Cash and Cash Equivalents	\$ 333,196	\$ 161,417	\$ 98,008	\$ 592,621
Accounts Receivable, Net	43,483	36,416	-	79,899
Prepaid Insurance	4,061	2,856	2,254	9,171
Total Current Assets	<u>380,740</u>	<u>200,689</u>	<u>100,262</u>	<u>681,691</u>
Noncurrent Assets:				
Restricted Assets:				
Restricted Cash	28,886	34,756	-	63,642
Net Pension Asset	1,343	1,343	-	2,686
Capital Assets:				
Land and Construction in Progress	1,457,835	1,595,869	-	3,053,704
Buildings, Net	4,989	31,286	357,187	393,462
Equipment, Net	10,494	9,541	-	20,035
Improvements, Net	10,446	222,323	-	232,769
Total Noncurrent Assets	<u>1,513,993</u>	<u>1,895,118</u>	<u>357,187</u>	<u>3,766,298</u>
Total Assets	<u>1,894,733</u>	<u>2,095,807</u>	<u>457,449</u>	<u>4,447,989</u>
Deferred Outflows				
Pension Related Items	16,711	16,711	-	33,422
Total Deferred Inflows	<u>16,711</u>	<u>16,711</u>	<u>-</u>	<u>33,422</u>
Liabilities				
Current Liabilities:				
Accounts Payable	3,008	2,784	421	6,213
Accrued Interest	-	2,034	-	2,034
Customer Deposits	6,791	-	-	6,791
Compensated Absences	5,010	5,010	-	10,020
Bonds, Notes, and Loans Payable	-	26,161	-	26,161
Total Current Liabilities	<u>14,809</u>	<u>35,989</u>	<u>421</u>	<u>51,219</u>
Noncurrent Liabilities:				
Bonds, Notes, and Loans Payable	485,088	472,413	-	957,501
Total Liabilities	<u>499,897</u>	<u>508,402</u>	<u>421</u>	<u>1,008,720</u>
Deferred Inflows				
Pension Related Items	37,727	37,727	-	75,454
Total Deferred Inflows	<u>37,727</u>	<u>37,727</u>	<u>-</u>	<u>75,454</u>
Net Position				
Invested in Capital Assets, Net of Related Debt	998,676	1,360,445	357,187	2,716,308
Restricted for Debt Service	28,886	34,756	-	63,642
Unrestricted	346,258	171,188	99,841	617,287
Total Net Position	<u>\$ 1,373,820</u>	<u>\$ 1,566,389</u>	<u>\$ 457,028</u>	<u>\$ 3,397,237</u>

The accompanying notes are an integral
part of the financial statements.

City of New Meadows, Idaho
Statement of Revenues, Expenses, and Changes
in Fund Net Position - Proprietary Funds
For the Year Ended September 30, 2021

	Business-type Activities - Enterprise Funds			
	Water	Sewer	Industrial Park	Total
Operating Revenues				
Charges for Services	\$ 239,041	\$ 244,348	\$ 8,756	\$ 492,145
Total Operating Revenues	<u>239,041</u>	<u>244,348</u>	<u>8,756</u>	<u>492,145</u>
Operating Expenses				
Wages	40,201	40,303	611	81,115
Taxes and Benefits	16,816	17,210	277	34,303
Training	645	920	-	1,565
Travel	178	178	-	356
Utilities	13,359	10,304	5,027	28,690
Professional Services	6,057	11,792	275	18,124
Audit	1,275	1,275	1,275	3,825
Depreciation	8,446	20,265	15,934	44,645
Fuel	1,465	733	1,432	3,630
Maintenance and Operations	35,331	57,572	16,243	109,146
Total Operating Expenses	<u>123,773</u>	<u>160,552</u>	<u>41,074</u>	<u>325,399</u>
Operating Income (Loss)	<u>115,268</u>	<u>83,796</u>	<u>(32,318)</u>	<u>166,746</u>
Non-operating Revenues (Expenses)				
Interest Earned	669	397	203	1,269
Interest Expense	(1,763)	(18,306)	-	(20,069)
Grants and Donations	132,544	3,600	-	136,144
Total Non-operating Revenues (Expenses)	<u>131,450</u>	<u>(14,309)</u>	<u>203</u>	<u>117,344</u>
Change in Net Position	246,718	69,487	(32,115)	284,090
Net Position - Beginning	1,127,102	1,496,902	489,143	3,113,147
Net Position - Ending	<u>\$ 1,373,820</u>	<u>\$ 1,566,389</u>	<u>\$ 457,028</u>	<u>\$ 3,397,237</u>

The accompanying notes are an integral
part of the financial statements.

City of New Meadows, Idaho
Statement of Cash Flows -
Proprietary Funds
For the Year Ended September 30, 2021

	Business-type Activities - Enterprise Funds			
	Water	Sewer	Industrial Park	Total
Cash Flows From Operating Activities				
Charges for Services	\$ 223,875	\$ 235,448	\$ 11,183	\$ 470,506
Payments to Suppliers for Goods and Services	(67,568)	(82,390)	(26,844)	(176,802)
Payments to Employees for Services	(62,090)	(62,586)	(888)	(125,564)
Net Cash Provided (Used) by Operating Activities	<u>94,217</u>	<u>90,472</u>	<u>(16,549)</u>	<u>168,140</u>
Cash Flows From Noncapital Financing Activities				
Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash Flows From Capital and Related Financing Activities				
Debt Proceeds	160,715	-	-	160,715
Grant Proceeds	132,544	3,600	-	136,144
Purchase of Capital Assets	(291,387)	(358)	-	(291,745)
Principal Paid on Capital Debt	(24,923)	(25,035)	-	(49,958)
Interest Paid on Capital Debt	(1,810)	(18,380)	-	(20,190)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(24,861)</u>	<u>(40,173)</u>	<u>-</u>	<u>(65,034)</u>
Cash Flows From Investing Activities				
Interest and Dividends	669	397	203	1,269
Net Cash Provided (Used) by Investing Activities	<u>669</u>	<u>397</u>	<u>203</u>	<u>1,269</u>
Net Increase (Decrease) in Cash and Cash Equivalentents	70,025	50,696	(16,346)	104,375
Cash and Cash Equivalentents, Beginning	292,057	145,477	114,354	551,888
Cash and Cash Equivalentents, Ending	<u>\$ 362,082</u>	<u>\$ 196,173</u>	<u>\$ 98,008</u>	<u>\$ 656,263</u>
Displayed As:				
Cash	\$ 333,196	\$ 161,417	\$ 98,008	\$ 592,621
Restricted Cash	28,886	34,756	-	63,642
	<u>\$ 362,082</u>	<u>\$ 196,173</u>	<u>\$ 98,008</u>	<u>\$ 656,263</u>

The accompanying notes are an integral
part of the financial statements.

City of New Meadows, Idaho
Statement of Cash Flows -
Proprietary Funds (continued)
For the Year Ended September 30, 2021

	Business-type Activities - Enterprise Funds			
	Water	Sewer	Industrial Park	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating Income (Loss)	\$ 115,268	\$ 83,796	\$ (32,318)	\$ 166,746
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:				
Depreciation	8,446	20,265	15,934	44,645
Changes in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable	(15,910)	(8,900)	2,427	(22,383)
(Increase) Decrease in Prepaid Expenses	(846)	(2,053)	(2,254)	(5,153)
(Increase) Decrease in Deferred Outflows	(12,881)	(12,881)	-	(25,762)
Increase (Decrease) in Accounts Payable	(8,412)	2,437	(338)	(6,313)
Increase (Decrease) in Customer Deposits	744	-	-	744
Increase (Decrease) in Compensated Absences	(5,333)	(5,333)	-	(10,666)
Increase (Decrease) in Net Pension Liability	(17,279)	(17,279)	-	(34,558)
Increase (Decrease) in Deferred Inflows	30,420	30,420	-	60,840
Net Cash Provided by Operating Activities	<u>\$ 94,217</u>	<u>\$ 90,472</u>	<u>\$ (16,549)</u>	<u>\$ 168,140</u>

The accompanying notes are an integral
part of the financial statements.

City of New Meadows, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The accompanying financial statements present the activities of the City of New Meadows, Idaho (the City), which has responsibility and control over all activities related to public safety and water and sewer services within the City. The City receives funding from local, state, and federal government sources and must comply with all of the requirements of these funding source entities. However, the City is not included in any other governmental reporting entity as defined by generally accepted accounting principles. Council members are elected by the public and have decision-making authority, the power to designate management, the ability to significantly influence operations, and the primary accountability for fiscal matters. In addition, the City's reporting entity does not contain any component units as defined in Governmental Accounting Standards.

B. Basis of Presentation, Basis of Accounting

Basis of Presentation

Government-wide Statements: The Statement of Net Position and the Statement of Activities display information about the financial activities of the City. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function of the City's governmental activities.

- Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function.
- Indirect expenses are expenses of the general government related to the administration and support of the City's programs, such as personnel and accounting (but not interest on long-term debt), and are allocated to programs based on their percentage of total primary government expenses. Interest expenses are allocated to the programs that manage capital assets financed with long-term debt.

City of New Meadows, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Financial Statements: The fund financial statements provide information about the City's funds. Separate statements for each fund category (governmental and proprietary) are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

The City reports the following major governmental funds:

- *General fund.* This is the City's primary operating fund. It accounts for all financial resources of the City, except those required to be accounted for in another fund.
- *Grant Fund.* The City of New Meadows receives the grant funds as passthrough funds in behalf of the Friends of the Weiser River Trail and these grant funds are used to continue work on the Weiser River Trail to bring it up to New Meadows.

Proprietary fund operating revenues and expenses are related to providing water and sewer services to the residents and businesses of the City of New Meadows, Idaho and providing services to other parts of the City government. Revenues and expenses that arise from capital and non-capital financing activities and from investing activities are presented as non-operating revenues or expenses.

The City reports the following major enterprise funds:

- *Water fund.* This fund accounts for the activities of the City's water supply system, pumping stations, and collection systems.
- *Sewer fund.* This fund accounts for the activities of the City's sewage treatment plant and collection systems.
- *Industrial Park.* This fund accounts for the activities related to the City's Industrial Park.

Basis of Accounting

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

City of New Meadows, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The City considers all revenues reported in the governmental funds to be available if they are collected within sixty days after the end of the year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, and claims and judgments, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term liabilities and acquisitions under capital leases are reported as other financing sources.

Fund Balance Reporting in Governmental Funds

Different measurement focuses and bases of accounting are used in the government-wide Statement of Net Position and in the governmental fund Balance Sheet.

The City uses the following fund balance categories in the governmental fund Balance Sheet:

- *Nonspendable*. Prepaid expenditures that are permanently precluded from conversion to cash.
- *Restricted*. Balances constrained to a specific purpose by enabling legislation, external parties, or constitutional provisions.
- *Unassigned*. Balances available for any purpose or fund deficits.

The remaining fund balance classifications (committed and assigned) are either not applicable or no formal policy has yet been established to be able to utilize such classifications of fund balance. However, if there had been committed funds, these amounts would have been decided by the City Council, the City's highest level of decision-making authority, through a formal action. The City Council would also have the authority to assign funds or authorize another official to do so.

City of New Meadows, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Under the terms of grant agreements, the City funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. When both restricted and unrestricted resources are available for use, it is the government's intent to use restricted resources first, then unrestricted resources as they are needed.

There is also no formal policy regarding the use of committed, assigned, or unassigned fund balances. However, it is the City's intent that when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used, the City considers committed amounts to be reduced first, followed by assigned amounts, and then unassigned amounts.

Restricted fund balance in the governmental funds consists of grants and donations that the grantors and/or donors have restricted to the use of community service programs and pass through grants.

C. Assets and Liabilities

Cash Equivalents

The City requires all cash belonging to the City to be placed in custody of the Clerk. A "Pooled Cash" concept is therefore used in maintaining the cash and investment accounts in the accounting records. Under this method, all cash is pooled for investment purposes and each fund has equity in the pooled amount. All cash on hand, demand deposits, and short-term investments with an original maturity of three months or less from the date of acquisition are considered to be cash and cash equivalents. See Note 2.

Property Tax Calendar

The City levies its real property taxes through the county in September of each year based upon the assessed valuation as of the previous July 1. Property taxes are due in two installments on December 20 and June 20 and are considered delinquent on January 1 and July 1, at which time the property is subject to lien.

Capital Assets

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed assets are reported at estimated fair value at the time received.

City of New Meadows, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the government-wide statements and proprietary funds are shown below:

	<u>Capitalization</u> <u>Policy</u>	<u>Depreciation</u> <u>Method</u>	<u>Estimated</u> <u>Useful Life</u>
Buildings and Improvements	\$5,000	Straight-Line	10 – 40 Years
Equipment and Vehicles	\$5,000	Straight-Line	3 – 20 Years

The City (a phase three government) has elected not to report major general infrastructure assets retroactively. General infrastructure assets include all roads and bridges and other infrastructure assets acquired subsequent to October 1, 2003. Since October 1, 2003, the City has acquired no new infrastructure assets.

Depreciation is used to allocate the actual or estimated historical cost of all capital assets over their estimated useful lives.

Receivables

All trade receivables are shown net of any allowance for doubtful accounts. See Note 12 for details.

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.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

City of New Meadows, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2021

2. CASH AND INVESTMENTS

Summary of Deposit and Investment Balances

The City maintains a cash and investment pool for use by all funds.

Deposits

As of September 30, 2021, the carrying amount of the City's deposits was \$155,681 and the respective bank balances totaled \$228,955. The total bank balance was insured or collateralized with pooled securities held by the pledging institution in the name of the City.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned. As of September 30, 2021, all of the City's deposits were covered by the federal depository insurance or by collateral held by the City's agent or pledging financial institution's trust department or agent in the name of the City, and thus were not exposed to custodial credit risk. The City does not have a formal policy limiting its exposure to custodial credit risk. The City had \$500 of cash on hand at the end of the year.

Custodial Credit Risk – Investments

Custodial credit risk is the risk that an issuer or a counter party to an investment will not fulfill its obligations. The City does not have a formal policy limiting its custodial credit risk for investments.

Interest Rate Risk

The City does not have a formal policy limiting investment maturities that would help manage its exposure to fair value losses from increasing interest rates.

Investments

The City voluntarily participates in the State of Idaho Investment Pool, which has not been rated. The pool is not registered with the Securities and Exchange Commission or any other regulatory body. Oversight of the pool is with the State Treasurer, and Idaho Code defines allowable investments. The fair value of the City's investments in the pool is the same as the value of the pool shares.

City of New Meadows, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2021

2. CASH AND INVESTMENTS (continued)

The City follows Idaho Statute that outlines qualifying investment options as follows:

Idaho Code authorizes the City to invest any available funds in obligations issued or guaranteed by the United States Treasury, the State of Idaho, local Idaho municipalities and taxing districts, the Farm Credit System, or Idaho public corporations, as well as time deposit accounts and repurchase agreements.

The City's investments at September 30, 2021, are summarized below:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>	
		<u>Less Than 1</u>	<u>1 - 5</u>
External Investment Pool	\$ 423,958	\$ 423,958	\$ -
Money Market	165,533	165,533	-
Total	<u>\$ 589,491</u>	<u>\$ 589,491</u>	<u>\$ -</u>

At year-end, cash and investments were reported in the basic financial statements in the following categories:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Cash and cash equivalents	\$ (50,357)	\$ 206,538	\$ 156,181
Investments categorized as deposits	139,766	386,083	525,849
Restricted Investments	-	63,642	63,642
	<u>\$ 89,409</u>	<u>\$ 656,263</u>	<u>\$ 745,672</u>

3. DUE FROM OTHER GOVERNMENTS

Amounts due from other governmental units (State of Idaho) consist of state revenue sharing of \$13,861.

4. RISK MANAGEMENT

The City is exposed to a considerable number of risks of loss including, but not limited to, a) damage to and loss of property and contents, b) employee torts, c) professional liabilities, i.e. errors and omissions, d) environmental damage, e) worker's compensation, i.e. employee injuries, and f) medical insurance costs of its employees. Commercial insurance policies are purchased to transfer the risk of loss for property and content damage, employee torts, and professional liabilities.

City of New Meadows, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2021

5. PROPERTY TAXES

The City of New Meadows, Idaho receives tax revenue from Adams County. The County is responsible for property valuation and collection of tax levies. The taxes that have not been remitted to the City by the County as of September 30, 2021, are considered by the City as a receivable.

Taxes not collected within 60 days after September 30, 2021, are not considered available for use by the City and are recorded as deferred revenue in the fund financial statements.

6. PENSION PLAN

Plan Description

The City of New Meadows, Idaho 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.

City of New Meadows, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2021

6. PENSION PLAN (continued)

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

Member and Employer Contributions

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

The contribution rates for employees are set by statute at 60% of the employer rate for general employees and 74% for police and firefighters. As of June 30, 2021 it was 7.16% for general employees and 9.13% for police and firefighters. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.94% for general employees and 12.28% for police and firefighters. The City of New Meadows, Idaho's contributions were \$19,396 for the year ended September 30, 2021.

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

At September 30, 2021, the City of New Meadows, Idaho reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City of New Meadows, Idaho's proportion of the net pension liability was based on the City of New Meadows, Idaho's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2021, the City of New Meadows, Idaho's proportion was 0.0044885 percent.

City of New Meadows, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2021

6. PENSION PLAN (continued)

For the year ended September 30, 2021, the City of New Meadows, Idaho recognized pension expense (revenue) of \$926. At September 30, 2021, the City of New Meadows, Idaho reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 5,223	\$ 2,061
Changes in assumptions or other inputs	40,692	-
Net difference between projected and actual earnings on pension plan investments	-	111,342
City of New Meadows, Idaho's contributions subsequent to the measurement date	4,337	-
Total	\$ 50,252	\$ 113,403

\$4,337 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, 2021.

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, 2021, the beginning of the measurement period ended June 30, 2020, is 4.7 and 4.6 for measurement period June 30, 2021 years.

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

For the Year Ended September 30:	PERSI
2022	\$(11,539)
2023	(14,307)
2024	(12,503)
2025	(24,802)

City of New Meadows, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2021

6. PENSION PLAN (continued)

Actuarial Assumptions

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

The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.30%
Salary increases	3.05%
Salary inflation	3.05%
Investment rate of return	6.35%, net of investment expenses
Cost-of-living adjustments	1%

Contributing Members, Service Retirement Members, and Beneficiaries

General Employees and All Beneficiaries – Males Pub-2010 General Tables, increased 11%.

General Employees and All Beneficiaries – Female Pub-2010 General Tables, increased 21%

Teachers – Males Pub-2010 Teacher Tables, increased 12%

Teachers – Females Pub-2010 Teacher Tables, increased 21%

Fire & Police – Males Pub-2010 Safety Tables, increased 21%

Fire & Police – Females Pub-2010 Safety Tables, increased 26%

Disabled Members – Males Pub-2001 Disabled Tables, increased 38%

Disabled Members – Females Pub-2010 Disabled Tables, increased 36%

An experience study was performed for the period July 1, 2015 through June 30, 2020 which reviewed all economic and demographic assumptions including mortality. The Total Pension Liability as of June 30, 2021 is based on the results of an actuarial valuation date July 1, 2021

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

City of New Meadows, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2021

6. PENSION PLAN (continued)

Even though history provides a valuable perspective for setting the investment return assumption, the System relies primarily on an approach which builds upon the latest capital market assumptions.

Specifically, the System uses consultants, investment managers and trustees to develop capital market assumptions in analyzing the System's asset allocation. The assumptions and the System's formal policy for asset allocation are shown below. The formal asset allocation policy is somewhat more conservative than the current allocation of System's assets.

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are as of 2021.

Capital Market Assumptions from Callan 2021

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

City of New Meadows, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2021

6. PENSION PLAN (continued)

Discount Rate

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

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

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

	1% Decrease (5.35%)	Current Discount Rate (6.35%)	1% Increase (7.35%)
Employer's proportionate share of the net pension liability (asset)	\$ 123,229	\$ (3,547)	\$ (107,464)

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.

City of New Meadows, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2021

7. CAPITAL ASSETS

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

	<u>Balance</u> <u>9/30/2020</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>9/30/2021</u>
<u>Governmental Activities:</u>				
Capital Assets Not Being Depreciated:				
Land	\$ 149,520	\$ -	\$ -	\$ 149,520
Total Assets Not Being Depreciated	<u>149,520</u>	<u>-</u>	<u>-</u>	<u>149,520</u>
Capital Assets Being Depreciated:				
Buildings	71,108	-	-	71,108
Improvements	238,944	-	-	238,944
Equipment	291,377	-	-	291,377
Total Depreciable Assets	<u>601,429</u>	<u>-</u>	<u>-</u>	<u>601,429</u>
Less Accumulated Depreciation:				
Buildings	50,441	979	-	51,420
Improvements	89,394	11,504	-	100,898
Equipment	244,259	9,873	-	254,132
Total Accumulated Depreciation	<u>384,094</u>	<u>22,356</u>	<u>-</u>	<u>406,450</u>
Net Depreciable Assets	<u>217,335</u>	<u>(22,356)</u>	<u>-</u>	<u>194,979</u>
Governmental Activities				
Net Capital Assets	<u>\$ 366,855</u>	<u>\$ (22,356)</u>	<u>\$ -</u>	<u>\$ 344,499</u>

City of New Meadows, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2021

7. CAPITAL ASSETS (continued)

	<u>Balance</u> <u>9/30/2020</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>9/30/2021</u>
<u>Business-type Activities:</u>				
Capital Assets Not Being Depreciated:				
Land	\$ 106,716	\$ -	\$ -	\$ 106,716
Construction in Progress	<u>2,655,243</u>	<u>291,745</u>	<u>-</u>	<u>2,946,988</u>
Total Assets Not Being Depreciated	<u>2,761,959</u>	<u>291,745</u>	<u>-</u>	<u>3,053,704</u>
Capital Assets Being Depreciated:				
Buildings	737,176	-	-	737,176
Improvements	2,442,552	-	-	2,442,552
Equipment	<u>448,917</u>	<u>-</u>	<u>-</u>	<u>448,917</u>
Total Depreciable Assets	<u>3,628,645</u>	<u>-</u>	<u>-</u>	<u>3,628,645</u>
Less Accumulated Depreciation:				
Buildings	325,738	17,979	-	343,717
Improvements	2,197,305	12,478	-	2,209,783
Equipment	<u>414,691</u>	<u>14,191</u>	<u>-</u>	<u>428,882</u>
Total Accumulated Depreciation	<u>2,937,734</u>	<u>44,648</u>	<u>-</u>	<u>2,982,382</u>
Net Depreciable Assets	<u>690,911</u>	<u>(44,648)</u>	<u>-</u>	<u>646,263</u>
Business-type Activities				
Net Capital Assets	<u>\$3,452,870</u>	<u>\$247,097</u>	<u>\$ -</u>	<u>\$3,699,967</u>

Depreciation expense was charged to the functions of the City as follows:

Governmental Activities:	
General Administration	\$ 979
Highways and Streets	6,706
Parks and Recreation	<u>14,671</u>
	<u>\$ 22,356</u>
Business-type Activities:	
Water	\$ 8,446
Sewer	20,265
Industrial Park	<u>15,934</u>
	<u>\$ 44,645</u>

City of New Meadows, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2021

8. COMPENSATED ABSENCES

Vacation leave is granted to all regular City employees who have been employed by the City for more than one year. In the event of termination, an employee is reimbursed for accumulated vacation leave.

Changes in compensated absences for the year ended September 30, 2021, are as follows:

	9/30/2020	Increase	Decrease	9/30/2021	Current Portion
Governmental Activities	\$ 13,790	\$ 5,399	\$ (12,509)	\$ 6,680	\$ 6,680
Business-type Activities	<u>20,685</u>	<u>8,098</u>	<u>(18,763)</u>	<u>10,020</u>	<u>10,020</u>
	<u>\$ 34,475</u>	<u>\$ 13,497</u>	<u>\$ (31,272)</u>	<u>\$ 16,700</u>	<u>\$ 16,700</u>

9. LEASE COMMITMENTS

The City began leasing a copier in September 2017. Payments are due monthly and it is anticipated the copier will be returned at the end of the lease term. Future minimum lease payments are as follows:

Year Ending September 30,	Amount
2022	<u>1,380</u>
	<u>\$ 1,380</u>

Rent expenditures for the year ended September 30, 2021, totaled \$1,396 .

City of New Meadows, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2021

10. LONG-TERM OBLIGATIONS

Bonds payable have been issued to provide funds for water and sewer projects. Changes in long-term obligations for the year ended September 30, 2021, are as follows:

Description	Maturity	Rate	Required				9/30/2021	Current Portion
			Reserve	9/30/2020	Increase	Decrease		
Business-type Activities:								
Water Bond	2020	5.75%	\$ 28,886	\$ 24,923	\$ -	\$(24,923)	\$ -	\$ -
Sewer Bond 92-03	2029	5.125%	34,756	253,060	-	(20,026)	233,034	21,052
Sewer Bond 92-05	2057	2.00%	-	118,650	-	(2,197)	116,453	2,241
Sewer Bond 92-07	2057	2.00%	-	151,899	-	(2,812)	149,087	2,868
DEQ (LOC) Loan	2048	1.75%	-	324,373	160,715	-	485,088	-
			<u>\$ 63,642</u>	<u>\$872,905</u>	<u>\$160,715</u>	<u>\$(49,958)</u>	<u>\$983,662</u>	<u>\$26,161</u>

The DEQ loan for the Water Fund is still being drawn down directly from DEQ. No repayment schedule will be finalized with DEQ until the project has been completed.

All reserve amounts have been set aside in the State Investment Pool.

Debt service requirements on long-term debt at September 30, 2021, are as follows:

Year Ending September 30,	Bonds and Notes		
	Principal	Interest	Total
2022	26,161	17,254	43,415
2023	27,342	16,073	43,415
2024	28,581	14,834	43,415
2025	29,879	13,536	43,415
2026 - 2030	170,908	45,871	216,779
2031 - 2035	31,775	20,325	52,100
2036 - 2040	35,082	17,018	52,100
2041 - 2045	38,734	13,367	52,101
2046 - 2050	42,765	9,335	52,100
2051 - 2055	47,216	4,884	52,100
2056 - 2060	20,131	605	20,736
	<u>\$498,574</u>	<u>\$ 173,102</u>	<u>\$ 671,676</u>

Interest expense for the year was \$20,069 for business-type activities and \$0 for governmental activities. No interest was capitalized.

City of New Meadows, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2021

11. OTHER COMMITMENTS

The City also has credit cards available for use. As of September 30, 2021, credit available on these credit cards totaled \$8,000, of which \$622 was in use.

12. ACCOUNTS RECEIVABLE - NET

Accounts receivable are made of the following amounts:

	General Fund	Water Fund	Sewer Fund	Total
Other Accounts	\$ 1,906	\$ 12,554	\$ 1,345	\$ 15,805
Utilities	-	27,093	40,082	67,175
	<u>1,906</u>	<u>39,647</u>	<u>41,427</u>	<u>82,980</u>
Less Allowance	<u>-</u>	<u>(741)</u>	<u>(741)</u>	<u>(1,482)</u>
Net Balance	<u>\$ 1,906</u>	<u>\$ 38,906</u>	<u>\$ 40,686</u>	<u>\$ 81,498</u>

REQUIRED SUPPLEMENTARY INFORMATION

City of New Meadows, Idaho
 Budgetary (GAAP Basis) Comparison Schedule
 General Fund
 For the Year Ended September 30, 2021

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues				
Property Taxes	\$ 151,686	\$ 151,686	\$ 159,718	\$ 8,032
Licenses and Permits	6,500	6,500	8,394	1,894
Intergovernmental	92,259	92,259	122,326	30,067
Grants and Donations	205,900	205,900	75,960	(129,940)
Earnings on Investments	532	532	314	(218)
Other	24,377	24,377	21,549	(2,828)
Total Revenues	<u>481,254</u>	<u>481,254</u>	<u>388,261</u>	<u>(92,993)</u>
Expenditures				
Current:				
General Administration	24,776	24,776	144,455	(119,679)
Highways and Streets	180,961	180,961	118,016	62,945
Wages, Taxes, and Retirement	51,906	51,906	49,101	2,805
Parks and Recreation	20,183	20,183	19,323	860
Public Safety - Police	60,843	60,843	18,451	42,392
Planning and Zoning	300	300	221	79
Capital Outlay	24,730	24,730	2,547	22,183
Depreciation	5,155	5,155	-	5,155
Maintenance & Operations	12,400	12,400	-	12,400
Total Expenditures	<u>381,254</u>	<u>381,254</u>	<u>352,114</u>	<u>29,140</u>
Net Change in Fund Balances	100,000	100,000	36,147	(63,853)
Fund Balances - Beginning	<u>(100,000)</u>	<u>(100,000)</u>	100,818	200,818
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 136,965</u>	<u>\$ 136,965</u>

City of New Meadows, Idaho
 Budgetary (GAAP Basis) Comparison Schedule
 Weiser River Trail Grant Fund
 For the Year Ended September 30, 2021

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues				
Grants and Donations	39,500	39,500	-	(39,500)
Total Revenues	<u>39,500</u>	<u>39,500</u>	<u>-</u>	<u>(39,500)</u>
Expenditures				
Current:				
General Administration	39,500	39,500	39,500	-
Total Expenditures	<u>39,500</u>	<u>39,500</u>	<u>39,500</u>	<u>-</u>
Net Change in Fund Balances	-	-	(39,500)	(39,500)
Fund Balances - Beginning	-	-	5,000	5,000
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (34,500)</u>	<u>\$ (34,500)</u>

City New Meadows, Idaho
Notes to Required Supplementary Information
For the Year Ended September 30, 2021

1. BUDGETS AND BUDGETARY ACCOUNTING

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

- A. Prior to September 1, the City Clerk, Mayor, and City Council prepare a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
- B. Public hearings are conducted at the City Hall to obtain taxpayer comments.
- C. Prior to October 1, the budget is legally enacted through passage of an ordinance.
- D. The City is authorized to transfer budgeted amounts between departments within any fund; however, no revision can be made to increase the overall tax supported funds except when federal or state grants are approved. The City, however, must follow the same budgetary procedures as they followed when the original budget was approved. The budget for Enterprise funds may also be revised in the same manner as those situations involving federal and state grants.
- E. Formal budgetary integration is employed as a management control device during the year for the General fund and Special Revenue funds.

City of New Meadows, Idaho
 Schedule of Required Supplemental Information
 Public Employee Retirement System of Idaho
 Last 10 - Fiscal Years*

Schedule of the City's Proportionate Share of Net Pension Liability

Year	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability	City's Covered Employee Payroll	City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2021	0.4488500%	\$ (3,545)	\$ 162,446	-2.18%	100.36%
2020	0.4344200%	100,878	158,943	63.47%	88.22%
2019	0.4230600%	48,291	145,400	33.21%	93.79%
2018	0.4384100%	64,666	145,047	44.58%	91.69%
2017	0.4546500%	71,463	135,655	52.68%	90.68%
2016	0.4651800%	94,299	140,289	67.22%	87.26%
2015	0.4573600%	60,277	126,667	47.59%	91.38%

Data reported is measured as of June 30, 2021

Schedule of City Contributions

Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	City's Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2021	\$ 19,396	\$ 19,396	\$ -	\$ 162,446	11.94%
2020	18,978	18,978	-	158,943	11.94%
2019	16,690	16,690	-	145,400	11.48%
2018	16,419	16,419	-	145,047	11.32%
2017	15,356	15,356	-	135,655	11.32%
2016	15,881	15,881	-	140,289	11.32%
2015	14,339	14,339	-	126,667	11.32%

Data reported is measured as of September 30, 2021

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

SUPPLEMENTAL INFORMATION

City of New Meadows, Idaho
Supplemental Schedule of Revenues by Source -
Budget and Actual - General Fund
For the Year Ended September 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Taxes			
Property Taxes	<u>\$ 151,686</u>	<u>\$ 159,718</u>	<u>\$ 8,032</u>
Licenses and Permits			
Building Permits	3,000	5,344	2,344
Dog Licenses	600	295	(305)
City Liquor	1,900	1,925	25
Review and Solid Waste Fees	<u>1,000</u>	<u>830</u>	<u>(170)</u>
Total Licenses and Permits	<u>6,500</u>	<u>8,394</u>	<u>1,894</u>
Intergovernmental			
County Road and Bridge			
State Revenue Sharing	41,492	55,127	13,635
State Highway Users	20,497	32,253	11,756
State Liquor Fees	<u>30,270</u>	<u>34,946</u>	<u>4,676</u>
Total Intergovernmental	<u>92,259</u>	<u>122,326</u>	<u>30,067</u>
Grants and Donations			
Donations	103,000	-	(103,000)
Grants	<u>102,900</u>	<u>75,960</u>	<u>(26,940)</u>
Total Grants and Donations	<u>205,900</u>	<u>75,960</u>	<u>(129,940)</u>
Other			
Miscellaneous	200	300	100
Franchise Fees	21,261	18,301	(2,960)
Dividends/Refunds	-	222	222
Planning and Zoning	300	-	(300)
Interest	532	314	(218)
Special Fees	230	25	(205)
Fines	<u>2,386</u>	<u>2,701</u>	<u>315</u>
Total Other	<u>24,909</u>	<u>21,863</u>	<u>(3,046)</u>
Total Revenue	<u><u>\$ 481,254</u></u>	<u><u>\$ 388,261</u></u>	<u><u>\$ (92,993)</u></u>

City of New Meadows, Idaho
Supplemental Schedule of Expenditures by Object of Expenditure -
Budget and Actual - General Fund
For the Year Ended September 30, 2021

	Budget	Actual	Variance
General Administration			
Training	\$ 1,000	\$ 525	\$ 475
Travel	1,000	420	580
Attorney	1,000	3,016	(2,016)
Utilities	1,260	1,836	(576)
Insurance	2,400	(66)	2,466
Audit	1,225	1,275	(50)
Maintenance and Operations	29,893	137,449	(107,556)
Capital Outlay	2,730	1,768	962
Total General Administration	<u>40,508</u>	<u>146,223</u>	<u>(105,715)</u>
Highways and Streets			
Wages and Benefits	41,083	54,642	(13,559)
Maintenance and Operations	130,486	30,646	99,840
Utilities	9,395	8,365	1,030
Fuel	2,500	2,334	166
Dust Abatement	-	22,029	(22,029)
Capital Outlay	22,000	779	21,221
Total Highways and Streets	<u>205,464</u>	<u>118,795</u>	<u>86,669</u>
Wages, Taxes, and Retirement			
Wages	31,885	30,426	1,459
Mayor and Council	6,600	5,400	1,200
Medical Insurance	4,132	5,022	(890)
Retirement	4,595	4,150	445
State Insurance	1,250	1,357	(107)
Social Security	2,386	2,225	161
Medicare	558	521	37
Unemployment	500	-	500
Total Taxes and Retirement	<u>51,906</u>	<u>49,101</u>	<u>2,805</u>
Parks and Recreation			
Wages and Benefits	11,010	594	10,416
Utilities	4,723	16,552	(11,829)
Maintenance and Operations	6,500	2,177	4,323
Total Parks and Recreation	<u>22,233</u>	<u>19,323</u>	<u>2,910</u>

City of New Meadows, Idaho
 Supplemental Schedule of Expenditures by Object of Expenditure -
 Budget and Actual - General Fund (continued)
 For the Year Ended September 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Public Safety - Police			
Wages and Benefits	\$ 6,583	\$ 356	\$ 6,227
Attorneys	18,000	18,000	-
Code Enforcement	33,660	-	33,660
Maintenance and Operations	2,300	95	2,205
Animal Control	300	-	300
Total Public Safety - Police	<u>60,843</u>	<u>18,451</u>	<u>42,392</u>
 Planning and Zoning			
Maintenance and Operations	<u>300</u>	<u>221</u>	<u>79</u>
Total Planning and Zoning	<u>300</u>	<u>221</u>	<u>79</u>
 Total Expenditures	<u><u>\$ 381,254</u></u>	<u><u>\$ 352,114</u></u>	<u><u>\$ 29,140</u></u>

City of New Meadows, Idaho
Combining Balance Sheet -
Nonmajor Governmental Funds
September 30, 2021

	Utility Assistance Program	Grant Fund	Total Nonmajor Governmental Funds
Assets			
Cash and Cash Equivalents	\$ 2,918	\$ -	\$ 2,918
Total Assets	<u>\$ 2,918</u>	<u>\$ -</u>	<u>\$ 2,918</u>
Liabilities, Deferred Inflows and Fund Balances			
Liabilities			
Internal Balances	\$ -	\$ 34,500	\$ 34,500
Total Liabilities	<u>\$ -</u>	<u>\$ 34,500</u>	<u>\$ 34,500</u>
Fund Balances			
Restricted	2,918	(34,500)	(31,582)
Total Fund Balances	<u>2,918</u>	<u>(34,500)</u>	<u>(31,582)</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 2,918</u>	<u>\$ -</u>	<u>\$ 2,918</u>

The accompanying notes are an integral
part of the financial statements.

City of New Meadows, Idaho
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances -
Nonmajor Governmental Funds
For the Year Ended September 30, 2021

	Utility Assistance Program	Grant Fund	Total Nonmajor Governmental Funds
Revenues			
Grants and Donations	\$ 1,548	\$ -	\$ 1,548
Total Revenues	<u>1,548</u>	<u>-</u>	<u>1,548</u>
Expenditures			
Current:			
General Administration	212	39,500	39,712
Total Expenditures	<u>212</u>	<u>39,500</u>	<u>39,712</u>
Net Change in Fund Balances	1,336	(39,500)	(38,164)
Fund Balances - Beginning	1,582	5,000	6,582
Fund Balances - Ending	<u>\$ 2,918</u>	<u>\$ (34,500)</u>	<u>\$ (31,582)</u>

The accompanying notes are an integral
part of the financial statements.

FEDERAL REPORTS



Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

Honorable Mayor
and City Council
New Meadows, 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, each major fund, and the aggregate remaining fund information of the City New Meadows, Idaho, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City of New Meadows, Idaho's basic financial statements and have issued our report thereon dated May 16, 2022.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Zwygart John & Associates, CPAs PLLC

Nampa, Idaho
May 16, 2022