

**CITY OF GOODING, IDAHO**

**Financial Statements**

**Year Ended September 30, 2023**



**CITY OF GOODING, IDAHO**  
**Financial Statements**  
**For the year ended September 30, 2023**

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## INDEPENDENT AUDITOR'S REPORT

December 7, 2023

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, 2023, 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, 2023, 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 7, 2023, 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, 2023**

<u>ASSETS</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total Primary Government</u>	<u>Component Unit Urban Renewal</u>
<b>Current Assets:</b>				
Cash and Deposits	\$ 2,501,834	\$ 5,397,307	\$ 7,899,141	\$ 49,945
Receivables:				
Accounts Receivable	26,250	235,313	261,563	
Property Taxes	1,267,371		1,267,371	
Due From Other Governments - State	196,787		196,787	
Prepaid Expenses			0	
Inventory	5,609		5,609	
<b>Total Current Assets</b>	<u>3,997,851</u>	<u>5,632,620</u>	<u>9,630,471</u>	<u>49,945</u>
<b>Non-Current Assets:</b>				
Land	77,089	103,789	180,878	377,083
Construction in Progress		13,430,354	13,430,354	
Buildings and Improvements	979,853		979,853	
Distribution and Operating Systems		13,980,565	13,980,565	
Vehicles and Equipment	1,475,183	2,020,475	3,495,658	
Infrastructure - Roads, Sidewalks, Street Lights	9,590,088		9,590,088	
Totals	<u>12,122,213</u>	<u>29,535,183</u>	<u>41,657,396</u>	<u>377,083</u>
Accumulated Deprecation	<u>(3,544,340)</u>	<u>(7,758,685)</u>	<u>(11,303,025)</u>	
<b>Total Non-Current Assets</b>	<u>8,577,873</u>	<u>21,776,498</u>	<u>30,354,371</u>	<u>377,083</u>
<b>Other Assets and Deferred Outflows of Resources:</b>				
Restricted Cash and Deposits		44,809	44,809	
Deferred Outflows from Pension Activity	272,003	183,858	455,861	0
<b>Total Other Assets and Deferred Outflows of Resources</b>	<u>272,003</u>	<u>228,667</u>	<u>500,670</u>	<u>0</u>
<b>Total Assets</b>	<u>12,847,727</u>	<u>27,637,785</u>	<u>40,485,512</u>	<u>427,028</u>
 <b><u>LIABILITIES</u></b>				
<b>Current Liabilities:</b>				
Accounts and Interest Payable	400,703	1,651,773	2,052,476	
Advanced Revenues		741,222	741,222	
Health Reimbursements Payable	54,237		54,237	
Customer Deposits		43,949	43,949	
Due or Payable Within One Year - Notes/Bonds		80,398	80,398	
<b>Total Current Liabilities</b>	<u>454,940</u>	<u>2,517,342</u>	<u>2,972,282</u>	<u>0</u>
<b>Non Current Liabilities and Deferred Inflows of Resources:</b>				
Compensated Absences	37,177	25,791	62,968	
Unavailable Revenues - Property Taxes	1,216,531		1,216,531	
Bonds Payable, Less Current Portion		13,847,035	13,847,035	
Net Pension Liability	746,660	504,696	1,251,356	
Deferred Inflows from Pension Activity	0	0	0	
<b>Total Non Current Liabilities and Deferred Outflows of Resources</b>	<u>783,837</u>	<u>14,377,522</u>	<u>15,161,359</u>	<u>0</u>
<b>Total Liabilities</b>	<u>1,238,777</u>	<u>16,894,864</u>	<u>18,133,641</u>	<u>0</u>
 <b><u>NET POSITION</u></b>				
Invested in Capital Assets - net of related debt	8,577,873	7,849,065	16,426,938	377,083
Restricted For:				
Debt Service		44,809	44,809	
Other Purposes	0		0	
Unrestricted	1,814,546	2,849,047	4,663,593	49,945
<b>Total Net Position</b>	<u>\$ 10,392,419</u>	<u>\$ 10,742,921</u>	<u>\$ 21,135,340</u>	<u>427,028</u>

The accompanying notes are a part of these financial statements.

**CITY OF GOODING, IDAHO**  
**Statement of Activities**  
**For the Year Ended September 30, 2023**

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	
<b>Governmental:</b>							
General Government	\$ 342,888	\$ 16,404	\$ 1,315	(325,169)		\$ (325,169)	
Public Safety	827,994			(827,994)		(827,994)	
Highways and Streets	644,185	14,726		(629,459)		(629,459)	
Cultural and Recreation	125,469	318	29,511	(95,640)		(95,640)	
Airport Operations	370,563	30,007	473,703	133,147		133,147	
Depreciation	268,733			(268,733)		(268,733)	
<b>Total Governmental Activities</b>	<b>2,579,832</b>	<b>61,455</b>	<b>504,529</b>	<b>(2,013,848)</b>		<b>(2,013,848)</b>	
<b>Business Type:</b>							
Water	860,796	980,043	0		\$ 119,247	119,247	
Wastewater	613,773	1,285,239	722,614		1,394,080	1,394,080	
Sanitation	326,865	369,153			42,288	42,288	
Interest - on long-term debt	129,448				(129,448)	(129,448)	
<b>Total Business-type Activities</b>	<b>1,930,882</b>	<b>2,634,435</b>	<b>722,614</b>		<b>1,426,167</b>	<b>1,426,167</b>	
<b>Total City of Gooding, Idaho</b>	<b>\$ 4,510,714</b>	<b>\$ 2,695,890</b>	<b>\$ 1,227,143</b>	<b>(2,013,848)</b>	<b>1,426,167</b>	<b>(587,681)</b>	
<b>Component Unit:</b>							
Urban Renewal Agency	\$ 1,889		0				(1,889)
<b>Total</b>							<b>(1,889)</b>
<b>General Revenues:</b>							
Property Taxes, Levied for General Purposes				1,218,893		1,218,893	
Franchises, Licenses, and Permits				144,320		144,320	
State Revenue				399,781		399,781	
Highway Users				318,782		318,782	
State Liquor				55,754		55,754	
Penalty and Interest on Property Taxes				12,113		12,113	
County Court Fines				15,713		15,713	
Miscellaneous						0	
Gain on Sale of Assets				1,143	2,286	3,429	
Gain (Loss) on Pension Activity				(97,725)	(78,290)	(176,015)	
Earnings on investments							
General Fund				33,668		33,668	106
Other Funds				27,598	129,627	157,225	
<b>Total general revenues and transfers</b>				<b>2,130,040</b>	<b>53,623</b>	<b>2,183,663</b>	<b>106</b>
Changes in net position				116,192	1,479,790	1,595,982	(1,783)
Net Position - Beginning				10,276,227	9,263,131	19,539,358	428,811
Net Position - Ending				<b>\$ 10,392,419</b>	<b>\$ 10,742,921</b>	<b>\$ 21,135,340</b>	<b>\$ 427,028</b>

The accompanying notes are a part of these financial statements.

**CITY OF GOODING, IDAHO**  
**Balance Sheet**  
**Governmental Funds**  
**at September 30, 2023**

	General Fund	Airport Fund	Street Fund	Combined Other Governmental Funds	Total Governmental Funds
<b>ASSETS:</b>					
Cash and Cash Deposits	\$ 1,241,378	\$ 667,180	\$ 486,420	\$ 106,856	\$ 2,501,834
Taxes Receivable	883,774	25,976	283,516	74,105	1,267,371
Due From Other Governments	82,976		100,979	12,832	196,787
Gravel Inventory			5,609		5,609
Other Receivables	10,922		15,328		26,250
Total Assets	\$ 2,219,050	\$ 693,156	\$ 891,852	\$ 193,793	\$ 3,997,851
<b>LIABILITIES:</b>					
Accounts Payable	91,118	\$ 263,828	\$ 19,768	\$ 2,722	\$ 377,436
Accrued Payroll Liabilities	19,125	495	3,646		23,266
Health Reimbursements Payable	54,237				54,237
Total Liabilities	164,480	264,323	23,414	2,722	454,939
<b>DEFERRED INFLOWS OF RESOURCES:</b>					
Unavailable Revenue - Property Taxes	838,222	24,654	283,516	70,139	1,216,531
Total Deferred Inflows of Resources	838,222	24,654	283,516	70,139	1,216,531
<b>FUND BALANCE:</b>					
Non-spendable					0
Restricted					0
Committed					0
Assigned		404,179	584,922	120,932	1,110,033
Unassigned	1,216,348				1,216,348
Total Fund Balance	1,216,348	404,179	584,922	120,932	2,326,381
Total Liabilities and Fund Balance	\$ 2,219,050	\$ 693,156	\$ 891,852	\$ 193,793	

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 \$ 12,122,213 and the accumulated depreciation is \$ 3,544,340 . . . . .	8,577,873
Long-term liabilities, including bonds and compensated absences are not payable in the current period and therefore are not reported in the governmental funds . . . . .	(37,177)
Pension activity is not reported in the government funds . . . . .	(474,658)
Net Position of Governmental Funds . . . . .	\$ 10,392,419

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, 2023**

	General Fund	Airport Fund	Street Fund	Combined Other Governmental Funds	Total Governmental Funds
<b>REVENUE:</b>					
Property taxes	\$ 855,076	\$ 27,273	\$ 285,208	\$ 84,336	\$ 1,251,893
Franchises, licenses, permits	125,124		19,196		144,320
State of Idaho shared revenue	249,587	1,149	103,064	45,981	399,781
State of Idaho liquor receipts	55,754				55,754
State highway user collections			254,641		254,641
Penalty collection / delinquent notices	12,113				12,113
County court fines	15,713				15,713
Highway Road and Bridge tax			64,141		64,141
Fees, fines and charges for services	16,404	30,007	14,726	318	61,455
Grants and contributions	510	473,703		30,316	504,529
Interest earnings	33,668	8,678	14,406	4,514	61,266
Gain on Sale of Assets			1,143		1,143
Miscellaneous					0
<b>Total Revenue</b>	<u>1,363,949</u>	<u>540,810</u>	<u>756,525</u>	<u>165,465</u>	<u>2,826,749</u>
<b>EXPENDITURES:</b>					
General Government	342,160				342,160
Public Safety	825,540				825,540
Airport Operations		431,682			431,682
Streets			701,699		701,699
Parks and Recreation				192,397	192,397
Capital Outlay				14,944	14,944
<b>Total Expenditures</b>	<u>1,167,700</u>	<u>431,682</u>	<u>701,699</u>	<u>207,341</u>	<u>2,508,422</u>
<b>EXCESS REVENUE (EXPENDITURES)</b>	196,249	109,128	54,826	(41,876)	318,327
<b>OTHER FINANCING SOURCES (USES):</b>					
Operating transfers from other funds					0
Operating transfers (to) other funds					0
<b>NET CHANGE IN FUND BALANCES</b>	196,249	109,128	54,826	(41,876)	318,327
<b>FUND BALANCE - BEGINNING</b>	<u>1,020,099</u>	<u>295,051</u>	<u>530,096</u>	<u>162,808</u>	<u>2,008,054</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 1,216,348</u>	<u>\$ 404,179</u>	<u>\$ 584,922</u>	<u>\$ 120,932</u>	<u>\$ 2,326,381</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, 2023**

Net Change in Fund Balance - Total Governmental Funds (Page 6)	\$ 318,327
<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.	(268,733)
This is the amount of new assets paid in the Government Funds.	198,051
This is the amount of disposed of Governmental Fund assets.	0
Amount of deferred property taxes received in the current period	(33,000)
<p>Liability for personal leave days are not recorded in Governmental Funds.</p>	
This is increase in compensated leave during the year	(728)
Gain (Loss) on Pension Activity	<u>(97,725)</u>
Change in Net Position of Governmental Activities (Page 4)	<u>\$ 116,192</u>

The accompanying notes are a part of these financial statements.

**CITY OF GOODING, IDAHO**  
**Statement of Net Position**  
**Proprietary Funds**  
**at September 30, 2023**

	<u>Water</u>	<u>Wastewater</u>	<u>Sanitation</u>	<u>Totals</u>
<b>Assets:</b>				
<b>Current Assets:</b>				
Cash and Deposits	\$ 2,475,162	\$ 2,645,131	\$ 277,014	\$ 5,397,307
Accts receivable	88,814	113,693	32,806	235,313
<b>Total Current Assets</b>	<u>2,563,976</u>	<u>2,758,824</u>	<u>309,820</u>	<u>5,632,620</u>
<b>Non Current Assets:</b>				
Plant and equipment	10,055,451	18,400,935	1,078,797	29,535,183
Accumulated depreciation	<u>(2,843,350)</u>	<u>(3,936,718)</u>	<u>(978,617)</u>	<u>(7,758,685)</u>
<b>Net Non Current Assets</b>	<u>7,212,101</u>	<u>14,464,217</u>	<u>100,180</u>	<u>21,776,498</u>
<b>Other Assets and Deferred Outflows:</b>				
of Resources:				
Restricted Cash and Deposits	44,809			44,809
Deferred Outflows from Pensions	<u>57,055</u>	<u>87,771</u>	<u>39,032</u>	<u>183,858</u>
<b>Total Other Assets and Def.</b>	<u>101,864</u>	<u>87,771</u>	<u>39,032</u>	<u>228,667</u>
<b>Total Assets</b>	<u>9,877,941</u>	<u>17,310,812</u>	<u>449,032</u>	<u>27,637,785</u>
<b>Liabilities:</b>				
<b>Current Liabilities:</b>				
Accounts and Interest Payable	112,213	1,522,726	16,834	1,651,773
Advanced Revenues	741,222			741,222
Customer Deposits	43,949			43,949
Current portion long-term debt	<u>80,398</u>			<u>80,398</u>
<b>Total current liabilities</b>	<u>977,782</u>	<u>1,522,726</u>	<u>16,834</u>	<u>2,517,342</u>
<b>Noncurrent Liabilities and Deferred</b>				
<b>Inflows of Resources:</b>				
Bonds & Loans Payable, Less Cur	4,549,151	9,297,884		13,847,035
Compensated Absences Payable	8,460	11,996	5,335	25,791
Net Pension Liability	156,617	240,936	107,143	504,696
Deferred Inflows from Pensions				<u>0</u>
<b>Total noncurrent liabilities</b>	<u>4,714,228</u>	<u>9,550,816</u>	<u>112,478</u>	<u>14,377,522</u>
<b>Total Liabilities</b>	<u>5,692,010</u>	<u>11,073,542</u>	<u>129,312</u>	<u>16,894,864</u>
<b>Net Position:</b>				
Investment in capital assets net of related debt	2,582,552	5,166,333	100,180	7,849,065
Restricted	44,809	0	0	44,809
Unrestricted	<u>1,558,570</u>	<u>1,070,937</u>	<u>219,540</u>	<u>2,849,047</u>
<b>Total Net Position</b>	<u>\$ 4,185,931</u>	<u>\$ 6,237,270</u>	<u>\$ 319,720</u>	<u>\$ 10,742,921</u>

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, 2023**

	<u>Water</u>	<u>Wastewater</u>	<u>Sanitation</u>	<u>Totals</u>
<b>Operating Revenues:</b>				
Charges for services	\$ 901,429	\$ 1,276,168	\$ 367,733	\$ 2,545,330
Hookups, connections and misc. fees	<u>78,614</u>	<u>9,071</u>	<u>1,420</u>	<u>89,105</u>
Total Operating Revenue	<u>980,043</u>	<u>1,285,239</u>	<u>369,153</u>	<u>2,634,435</u>
<b>Operating Expenses:</b>				
Salaries and benefits	243,261	373,192	168,850	785,303
Administrative and supplies	320,099	156,623	118,815	595,537
Depreciation	<u>297,436</u>	<u>83,958</u>	<u>39,200</u>	<u>420,594</u>
Total Operating Expenses	<u>860,796</u>	<u>613,773</u>	<u>326,865</u>	<u>1,801,434</u>
<b>Operating Income</b>	<u>119,247</u>	<u>671,466</u>	<u>42,288</u>	<u>833,001</u>
<b>Nonoperating Revenues (Expenses):</b>				
Interest Income	60,347	61,823	7,457	129,627
Interest Expense	(129,448)			(129,448)
Grants	0	722,614		722,614
Gain (Loss) on Pension Activity	(22,079)	(44,682)	(11,529)	(78,290)
Gain on Sale of Assets	<u>1,143</u>		<u>1,143</u>	<u>2,286</u>
Total Nonoperating	<u>(90,037)</u>	<u>739,755</u>	<u>(2,929)</u>	<u>646,789</u>
<b>Income before transfers</b>	<u>29,210</u>	<u>1,411,221</u>	<u>39,359</u>	<u>1,479,790</u>
Transfers in				
Transfers out				
<b>Net Income</b>	29,210	1,411,221	39,359	1,479,790
<b>Total Net Position - Beginning</b>	<u>4,156,721</u>	<u>4,826,049</u>	<u>280,361</u>	<u>9,263,131</u>
<b>Total Net Position - Ending</b>	<u>\$ 4,185,931</u>	<u>\$ 6,237,270</u>	<u>\$ 319,720</u>	<u>\$ 10,742,921</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, 2023**

	<u>Water</u>	<u>Wastewater</u>	<u>Sanitation</u>	<u>Total</u>
<b>Cash Flows From Operating Activities:</b>				
Receipts from customers	\$ 984,454	\$ 1,288,399	\$ 367,353	\$ 2,640,206
Payments to suppliers	(299,470)	1,311,042	(116,130)	895,442
Payments to employees	(243,061)	(372,761)	(169,547)	(785,369)
Other receipts				0
Net cash provided (used) by operations	<u>441,923</u>	<u>2,226,680</u>	<u>81,676</u>	<u>2,750,279</u>
<b>Cash Flows From Capital and Related Financing Activities:</b>				
Purchase and construction of capital assets	(56,278)	(10,892,501)		(10,948,779)
Proceeds from sale assets	1,143		1,143	2,286
Principal Increased (paid) on capital debt	(78,246)	8,771,640		8,693,394
Interest paid on capital debt	(129,448)			(129,448)
Net cash provided (used) by capital and related financing activities	<u>(262,829)</u>	<u>(2,120,861)</u>	<u>1,143</u>	<u>(2,382,547)</u>
<b>Cash Flows From Investing Activities:</b>				
Grant Receipts	0	722,614		722,614
Interest Income	60,347	61,823	7,457	129,627
Net cash provided (used) by investing	<u>60,347</u>	<u>784,437</u>	<u>7,457</u>	<u>852,241</u>
<b>Net Increase (Decrease) in Cash and Deposits</b>	239,441	890,256	90,276	1,219,973
<b>Balances - Beginning of the year</b>	<u>2,280,530</u>	<u>1,754,875</u>	<u>186,738</u>	<u>4,222,143</u>
<b>Balances - Ending of the year</b>	<u>\$ 2,519,971</u>	<u>\$ 2,645,131</u>	<u>\$ 277,014</u>	<u>\$ 5,442,116</u>
Displayed as:				
Pooled Cash and Investments	2,475,162	2,645,131	277,014	5,397,307
Restricted Assets	44,809	0	0	44,809
<b>Balances - Ending of the year</b>	<u>\$ 2,519,971</u>	<u>\$ 2,645,131</u>	<u>\$ 277,014</u>	<u>\$ 5,442,116</u>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>				
Operating Income	119,247	671,466	42,288	833,001
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation expense	297,436	83,958	39,200	420,594
Changes in assets and liabilities:				
Receivables, net	4,411	3,160	(1,800)	5,771
Accounts and other payables	20,629	1,467,665	2,685	0
Compensated absences	200	431	(697)	(66)
Customer deposits				0
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>\$ 441,923</u>	<u>\$ 2,226,680</u>	<u>\$ 81,676</u>	<u>\$ 1,259,300</u>

The accompanying notes are a part of these financial statements.

**CITY OF GOODING, IDAHO  
NOTES TO THE FINANCIAL STATEMENTS  
AT SEPTEMBER 30, 2023**

**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, 2023**

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, 2023**

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, 2023**

2022, 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, 2023**

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, 2023**

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, 2023**

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, 2023**

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, 2023:

		<u>Bank Balances</u>
Insured	\$	399,824
Collateralized		5,438,264
Uninsured and uncollateralized		<u>3,561,990</u>
 Total	 \$	 <u><u>9,400,078</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, 2023, the carrying amount of the City's deposits was \$7,943,950 and the respective bank balances totaled \$9,400,078. Of the bank balances, \$3,591,990 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, 2023**

**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, 2023 was \$1,232,679.

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, 2023, amounts billed and outstanding for the enterprise funds was \$235,313. 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, 2023.

**CITY OF GOODING, IDAHO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AT SEPTEMBER 30, 2023**

**Capital Assets**

Capital asset activity for the year ended September 30, 2023, was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
<b>Governmental Activities:</b>				
<i>Capital Assets not being depreciated:</i>				
Land	\$ 77,089	\$	\$	\$ 77,089
Construction in Progress	3,886,035		(3,886,035)	0
Total	<u>3,963,124</u>	<u>0</u>	<u>(3,886,035)</u>	<u>77,089</u>
<i>Capital Assets being depreciated:</i>				
Buildings and Improvements	979,853			979,853
Vehicles and Equipment	1,369,310	105,873		1,475,183
Roads & Infrastructure	5,581,616	4,008,472		9,590,088
Total	7,930,779	4,114,345	0	12,045,124
Less: Accumulated Depreciation	<u>(3,275,607)</u>	<u>(268,733)</u>		<u>(3,544,340)</u>
<b>Governmental capital assets, net</b>	<b>\$ <u>8,618,296</u></b>	<b>\$ <u>3,845,612</u></b>	<b>\$ <u>(3,886,035)</u></b>	<b>\$ <u>8,577,873</u></b>
<b>Business-type activities:</b>				
<i>Capital Assets not being depreciated:</i>				
Land	\$ 103,789	\$	\$	\$ 103,789
Construction in Progress	2,572,913	10,877,501	(20,060)	13,430,354
Total	<u>2,676,702</u>	<u>10,877,501</u>	<u>(20,060)</u>	<u>13,534,143</u>
<i>Capital Assets being depreciated:</i>				
Distribution and Operating System	13,904,226	76,338		13,980,564
Machinery and Equipment	2,005,475	15,000		2,020,475
Total	15,909,701	91,338	0	16,001,039
Less: Accumulated Depreciation	<u>(7,338,090)</u>	<u>(420,594)</u>		<u>(7,758,684)</u>
Total Net Depreciated Assets	<u>8,571,611</u>	<u>(329,256)</u>	<u>0</u>	<u>8,242,355</u>
<b>Business-type capital assets, net</b>	<b>\$ <u>11,248,313</u></b>	<b>\$ <u>10,548,245</u></b>	<b>\$ <u>(20,060)</u></b>	<b>\$ <u>21,776,498</u></b>

**Operating Leases**

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

**CITY OF GOODING, IDAHO  
NOTES TO THE FINANCIAL STATEMENTS  
AT SEPTEMBER 30, 2023**

Years Ending September 30

2024

\$ 50,480

**Long-Term Debt**

On April 5, 2018, the City executed a grant /loan agreement with the USDA Rural Utilities Service. The maximum amount of the loan /grant available to be drawn totals \$5,000,000 and \$1,600,000, respectively. The loan is repayable over a period of 40 years from the date of the loan closing. Annual payments of principal and interest total \$207,700. Interest is accrued yearly at a rate of 2.75% and the loan is expected to be repaid by the net revenues of the City's water system. On May 3, 2018, the City executed a loan agreement with the Idaho Department of Environmental Quality to replace headworks and improve the treatment process including adding filtration, chemical treatment, and sludge draying bed. The maximum amount of the loan to be drawn is \$15,370,000 and interest accrues biannually at a rate of 4.42%. The loan is required to be repaid in biannual installments over 30 years no later than 30 years from the project completion date. The project was ongoing during fiscal year 2023 and interest only debt service payments were required. At the financial statement date \$9,297,884 was advanced on the loan with accrued interest of \$133,866. Future principal and interest payment are yet to be determined. During fiscal year 2022 the "bridge loan" was assumed by USDA through Zions bank. All interest during the construction phase of the project is to be capitalized in the loan.

The following is a summary of debt maturity requirements for loans payable to the USDA as of September 30, 2023.

Water Revenue Bond, Series 2018

<u>Fiscal Year Ended</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 80,398	\$ 127,302
2025	82,609	125,091
2026	84,881	122,819
2027	87,215	120,484
2028-2032	473,398	565,102
2033-2037	542,171	496,329
2038-2042	620,934	417,566
2043-2047	711,139	327,361
2048-2052	814,448	224,052
2053-2057	932,766	105,734
2058-2059	199,590	5,478
Totals	\$ <u>4,629,549</u>	\$ <u>2,637,318</u>

**CITY OF GOODING, IDAHO  
NOTES TO THE FINANCIAL STATEMENTS  
AT SEPTEMBER 30, 2023**

**Note 3- Discretely Presented Component Unit**

In 2023, 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 2023.

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

*Plan Description*

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

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

*Pension Benefits*

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

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

**CITY OF GOODING, IDAHO  
NOTES TO THE FINANCIAL STATEMENTS  
AT SEPTEMBER 30, 2023**

whichever is less; however, any amount above the 1% minimum is subject to review by the Idaho Legislature.

*Member and Employer Contributions*

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

The contribution rates for employees are set by statute at 60% of the employer rate for general employees and 72% for police and firefighters. As of June 30, 2023, 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% general employees and 12.28% for police and firefighters. The City's contributions were \$158,641 for the year ended September 30, 2023.

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

At September 30, 2023, the City reported an asset for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2023, 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, 2023, the City's proportion was .03135705 percent.

For the year ended September 30, 2023, the City recognized pension expense (expense offset) of \$176,014. At September 30, 2023, 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, 2023**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 117,458	\$ 0
Changes in assumptions or other inputs	\$ 123,911	
Net difference between projected and actual earnings on pension plan investments	\$ 214,492	
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	\$( 39,798)	
City's contributions subsequent to the measurement date	\$ 39,798	
Total	\$ 455,861	\$ 0

\$35,798 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2024.

The average of the expected remaining service lives of all employees that are provided with pensions through the System (active and inactive employees) determined at July 1, 2023, the beginning of the measurement period ended June 30, 2022 is 4.6 years and 4.4 for the measurement period June 30, 2023.

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, 2023**

**Year ended September 30, 2023:**

2024	\$ 162,114
2025	\$ 76,182
2026	\$ 236,990
2027	\$ ( 19,425)

*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, 2023, 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%

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

Several different sets of mortality rates are used in the valuation of contributing members, members retired for service and beneficiaries. These rates were adopted for the valuation dated July 1, 2023.

**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, 2023**

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, 2023, is based on the results of an actuarial valuation date of July 1, 2023.

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 2023.

2023		
Asset Class	DB Plans	Sick Leave
Fixed Income	30.00%	50.00%
US/Global Equity	55.00%	39.30%
International Equity	15.00%	10.70%
Cash	0.00%	0.00%

*Discount Rate*

The discount rate used to measure the total pension liability was 7.05%. 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, 2023**

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:

	<b>1% Decrease (5.35%)</b>	<b>Current Discount Rate (6.35%)</b>	<b>1% Increase (7.35%)</b>
Employer's proportionate share of the net pension liability (asset)	\$ 1,238,843	\$ 1,251,357	\$ 1,263,871

*Pension plan fiduciary net position*

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

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

*Payables to the pension plan*

At September 30, 2023, 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, 2023**

**Note 5 - Other Information Risk Management**

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

During the current fiscal year the City's insurance carrier paid \$67,098 for vandalism of park assets. This payment rebuilt the park building destroyed by the event.

**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, 2023**

	<u>Original Budget Amounts</u>	<u>Final Budget Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUE:</b>				
Property Taxes	\$ 830,611	\$ 830,611	\$ 855,076	\$ 24,465
Franchises, licenses, permits	127,500	127,500	125,124	(2,376)
State of Idaho shared revenue	283,280	283,280	249,587	(33,693)
State of Idaho liquor receipts	58,900	58,900	55,754	(3,146)
Penalty and interest on property taxes	13,600	13,600	12,113	(1,487)
County court fines	9,700	9,700	15,713	6,013
Fees, fines, and charges for services	51,176	51,176	16,404	(34,772)
Grants and contributions	15,550	15,550	510	(15,040)
Earnings on investments	670	670	33,668	32,998
Gain on Sale of Assets	0	0	0	0
Miscellaneous	0	0	0	0
Total Revenue	<u>1,390,987</u>	<u>1,390,987</u>	<u>1,363,949</u>	<u>(27,038)</u>
<b>EXPENDITURES:</b>				
General Government	444,118	444,118	342,160	101,958
Public Safety	952,459	952,459	825,540	126,919
Total Expenditures	<u>1,396,577</u>	<u>1,396,577</u>	<u>1,167,700</u>	<u>228,877</u>
EXCESS REVENUE (EXPENDITURES)	(5,590)	(5,590)	196,249	201,839
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating transfers from other funds	0	0	0	0
Operating transfers (to) other funds	0	0	0	0
NET CHANGE IN FUND BALANCES	(5,590)	(5,590)	196,249	201,839
FUND BALANCE - BEGINNING	<u>1,020,099</u>	<u>1,020,099</u>	<u>1,020,099</u>	<u>0</u>
FUND BALANCE - ENDING	<u>\$ 1,014,509</u>	<u>\$ 1,014,509</u>	<u>\$ 1,216,348</u>	<u>\$ 201,839</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, 2023**

	<u>Original Budget Amounts</u>	<u>Final Budget Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUE:</b>				
Property Taxes	\$ 27,060	\$ 27,060	\$ 27,273	\$ 213
State of Idaho shared revenue	1,818	1,818	1,149	(669)
Rents - hanger and land	12,298	12,298	17,403	5,105
Operator fuel	5,300	5,300	6,604	1,304
Permits and Spraying	6,000	6,000	6,000	0
Grants and contributions	43,859	43,859	473,703	429,844
Earnings on investments	395	395	8,678	8,283
Gain on Sale of Assets				0
Miscellaneous				0
Total Revenue	<u>96,730</u>	<u>96,730</u>	<u>540,810</u>	<u>444,080</u>
<b>EXPENDITURES:</b>				
General Government - Airport Operations	155,257	155,257	431,682	(276,425)
Total Expenditures	<u>155,257</u>	<u>155,257</u>	<u>431,682</u>	<u>(276,425)</u>
<b>EXCESS REVENUE (EXPENDITURES)</b>	(58,527)	(58,527)	109,128	167,655
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating transfers from other funds				0
Operating transfers (to) other funds				0
<b>NET CHANGE IN FUND BALANCES</b>	(58,527)	(58,527)	109,128	167,655
<b>FUND BALANCE - BEGINNING</b>	<u>295,051</u>	<u>295,051</u>	<u>295,051</u>	<u>0</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 236,524</u>	<u>\$ 236,524</u>	<u>\$ 404,179</u>	<u>\$ 167,655</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, 2023**

	<u>Original Budget Amounts</u>	<u>Final Budget Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUE:</b>				
Property Taxes	\$ 279,728	\$ 279,728	\$ 285,208	\$ 5,480
Franchises, licenses, permits	14,600	14,600	19,196	4,596
State of Idaho shared revenue	117,185	117,185	103,064	(14,121)
Highway revenue county	49,800	49,800	64,141	14,341
State highway user collections	209,144	209,144	254,641	45,497
Fees, fines, and charges for services	0	0	14,726	14,726
Grants and contributions	0	0	0	0
Earnings on investments	182	182	14,406	14,224
Miscellaneous	500	500	1,143	643
Total Revenue	<u>671,139</u>	<u>671,139</u>	<u>756,525</u>	<u>85,386</u>
<b>EXPENDITURES:</b>				
Streets	696,586	696,586	701,699	(5,113)
Total Expenditures	<u>696,586</u>	<u>696,586</u>	<u>701,699</u>	<u>(5,113)</u>
EXCESS REVENUE (EXPENDITURES)	(25,447)	(25,447)	54,826	80,273
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating transfers from other funds				0
Operating transfers (to) other funds				0
NET CHANGE IN FUND BALANCES	(25,447)	(25,447)	54,826	80,273
FUND BALANCE - BEGINNING	<u>530,096</u>	<u>530,096</u>	<u>530,096</u>	<u>0</u>
FUND BALANCE - ENDING	<u>\$ 504,649</u>	<u>\$ 504,649</u>	<u>\$ 584,922</u>	<u>\$ 80,273</u>

CITY OF GOODING, IDAHO  
PUBLIC EMPLOYEE PENSION INFORMATION  
For the year ended September 30, 2023

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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Employer's portion of the net pension liability		.03135705%	.0313690%	.0315475%	.0332856%
Employer's proportionate share of the net pension liability (asset)	\$	1,251,357	\$ 1,235,549	\$ (24,915)	\$ 772,935
Employer's covered-employee payroll	\$	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		94.98%	103.43%	-2.30%	72.43%
Plan fiduciary net position as a percentage of the total pension liability (asset)		83.83%	83.09%	100.36%	88.22%

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

Data reported is measured as of June 30, 2023

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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Statutorily required contributions	\$	158,641	\$ 143,929	\$ 130,423	\$ 128,371
Contributions in relation to the statutorily required contribution	\$	(158,641)	\$ (143,929)	\$ (130,423)	\$ (128,371)
Contribution (deficiency) excess	\$	0	\$ 0	\$ 0	\$ 0
Employer's covered-employee payroll	\$	1,317,482	\$ 1,194,566	\$ 1,083,647	\$ 1,067,210
Contributions as a percentage of covered-employee payroll		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, 2023**

	<u>Capital Improvement Fund</u>	<u>Parks and Recreation Fund</u>	<u>Total Combined Other Governmental Funds</u>
<b>ASSETS:</b>			
Cash and Cash Deposits	\$ 48,532	\$ 58,324	\$ 106,856
Taxes Receivable	9,166	64,939	74,105
Due From Other Governments		12,832	12,832
	<hr/>	<hr/>	<hr/>
Total Assets	\$ <u>57,698</u>	\$ <u>136,095</u>	<u>193,793</u>
<b>LIABILITIES:</b>			
Accounts Payable	\$	\$ 2,722	\$ 2,722
Deferred Revenues	8,505	61,634	70,139
Due To Other Funds			0
	<hr/>	<hr/>	<hr/>
Total Liabilities	<u>8,505</u>	<u>64,356</u>	<u>72,861</u>
<b>FUND BALANCE:</b>			
Non-spendable			0
Restricted			0
Committed			0
Assigned	49,193	71,739	120,932
Unassigned			0
	<hr/>	<hr/>	<hr/>
Total Fund Balance	<u>49,193</u>	<u>71,739</u>	<u>120,932</u>
Total Liabilities and Fund Balance	\$ <u>57,698</u>	\$ <u>136,095</u>	<u>193,793</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, 2023**

	<u>Capitol Improvement Fund</u>	<u>Park and Recreation Fund</u>	<u>Total Combined Other Governmental Funds</u>
<b>REVENUE:</b>			
Property taxes	\$ 17,968	\$ 66,368	\$ 84,336
State of Idaho shared revenue	805	45,176	45,981
Proceeds from sale of assets			0
Fees and charges for services		318	318
Grants and contributions		30,316	30,316
Earnings on investments	1,281	3,233	4,514
Miscellaneous			0
	<hr/>	<hr/>	<hr/>
Total Revenue	20,054	145,411	165,465
<b>EXPENDITURES:</b>			
Capital outlay	14,944		14,944
Parks and Recreation		192,397	192,397
	<hr/>	<hr/>	<hr/>
Total Expenditures	14,944	192,397	207,341
<b>EXCESS REVENUE (EXPENDITURES)</b>	5,110	(46,986)	(41,876)
<b>OTHER FINANCING SOURCES (USES):</b>			
Operating transfers from other funds			0
Operating transfers (to) other funds			0
	<hr/>	<hr/>	<hr/>
<b>NET CHANGE IN FUND BALANCES</b>	5,110	(46,986)	(41,876)
<b>FUND BALANCE - BEGINNING</b>	44,083	118,725	162,808
	<hr/>	<hr/>	<hr/>
<b>FUND BALANCE - ENDING</b>	\$ 49,193	\$ 71,739	\$ 120,932
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The accompanying notes are a part of these financial statements.

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

December 7, 2023

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, 2023, 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 7, 2023.

**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 (2023-1).

**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, 2023**

2023-1

**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, 2023.

CITY OF GOODING, IDAHO  
 GOODING COUNTY, IDAHO

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

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		\$ 493,500	
Total				\$ 493,500
Federal Aviation Administration:				
Airport Improvement Program	20.106	AIP-3-16-0014-019-2023	473,650	
Total				473,650
U.S. Department of Environmental Quality:				
ARPA Grant	21.027		177,591	
Total				177,591
Total All Programs				\$ 1,144,741



**SINGLE AUDIT SECTION**

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, 2022 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, 2023 revealed no areas of comments, findings or questioned costs.

**CITY OF GOODING, IDAHO**  
**Year Ended September 30, 2023**  
**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  No  
Significant deficiencies identified that are not considered to be material weakness(es)  yes  None reported

Noncompliance material to financial statements noted?  yes  No

**Federal Awards**

Internal control over major programs:  
Material weakness(es) identified?  yes  No  
Significant deficiencies identified that are not considered to be material weakness(es)  yes  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  No

**Identification of major programs:**

**Other Programs**

**Federal CFDA Number**

U.S. Federal Aviation Administration Airport Improvement Program	20.526
Dollar threshold used to distinguish between type A and type B programs:	\$ 750,000
Auditee qualified as low-risk auditee?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> 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.

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

December 7, 2023

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, 2023. 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, 2023.

***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*

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