

CITY OF RUPERT IDAHO

Financial Statements

Year Ended September 30, 2023

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

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WORKMAN & COMPANY

Office of
Accounting

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INDEPENDENT AUDITOR'S REPORT

December 21, 2023

To the City Council
City of Rupert, Idaho
Rupert, 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 Rupert, 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 Rupert, 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 Rupert, 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 Rupert, 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 Rupert, 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.

Report Continued—

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Rupert, 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 Rupert, 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 3–10 and 36 - 40 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Rupert, Idaho's basic financial statements. The long-term debt payment schedule on pages 41-44 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The long-term debt payment schedule is the responsibility of management and is 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 21, 2023, on our consideration of the City of Rupert, 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



624 F Street – PO Box 426 – Rupert, ID 83350 – 208-436-9600 – Fax 208-436-9920

Management's Discussion and Analysis For the Year Ended September 30, 2023

The City of Rupert, Idaho's general purpose external financial statements are presented in this report. The components of the general purpose external financial statements include:

- Management's Discussion and Analysis (MD&A)
- Basic Financial Statements
- Other Required Supplementary Information (RSI).

FINANCIAL HIGHLIGHTS

- The total of all fund assets of the City of Rupert exceeded liabilities at the close of the most recent fiscal year by \$ 31,107,329. Of that amount, \$5,815,575 (unrestricted net position) may be used to meet future obligations and programs.
- Governmental Fund Revenues were \$4,926,885 and expenditures were \$5,050,396.
- Proprietary Fund Operating Revenues were \$10,870,476 and operating expenses were \$10,250,901.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City of Rupert's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

Government-wide financial statements provide both long-term and short-term information about the City's overall financial condition. Changes in the City's financial position may be measured over time by increases and decreases in the Statement of Net Position. Information on how the City's net position changed during the fiscal year is presented in the Statement of Activities.

Fund Financial Statements

Fund financial statements focus on individual parts of the City, reporting the City's operations in more detail than the government-wide financial statements. Fund financial statements include the statements for governmental and proprietary funds.

CITY OF RUPERT, IDAHO MANAGEMENT DISCUSSION AND ANALYSIS

Continued...

Table 1: Major Features of the Basic Financial Statements			
	Government-wide Financial Statements	Fund Financial Statements	
		<i>Governmental Funds</i>	<i>Proprietary Funds</i>
Scope	Entire City government and the City's component unit.	Activities of the City that are not proprietary.	Activities of the City that are operated similar to private businesses
Required financial statements	* Statement of net position * Statement of activities	* Balance sheet * Statement of revenues, expenditures, and changes in fund balances	* Statement of net position * Statement of revenues, expenses, and changes in net position * Statement of cash flows
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets	All assets and liabilities, both financial and capital, and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	* Revenues for which cash is received during or soon after the end of the year * Expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid

Notes to the Financial Statements

Notes to the financial statements provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements.

Refer to Note 1 of the financial statements for more detailed information on the elements of the financial statements. Table 1 above summarizes the major features of the basic financial statements.

CONDENSED FINANCIAL INFORMATION

Condensed Statement of Net Position

The largest component of the City's net position, \$ 24,126,630, reflects its investment in capital assets (e.g. land, infrastructure, buildings, equipment, and others), less any related debt outstanding that was needed to acquire or construct the assets. The City uses these capital assets to provide services to the citizens and businesses in the City; consequently, these net assets are not eligible for future spending. Restricted net position totals \$1,165,124. Restricted net position represents resources that are subject to external restrictions, constitutional provisions, debt service requirements, or enabling

**CITY OF RUPERT, IDAHO
MANAGEMENT DISCUSSION AND ANALYSIS**

Continued...

legislation on how they can be used. The remaining portion of net assets, \$5,815,575, is unrestricted and can be used to finance government operations.

Table 2 below presents the City's condensed statement of net position as of September 30, 2023, derived from the government-wide Statement of Net Position.

	Governmental Activities	Business type Activities	Total Primary Government
Current and other assets	\$ 5,370,340	\$ 3,732,537	\$ 9,102,877
Capital assets	11,110,632	26,079,737	37,190,369
Restricted assets	<u>0</u>	<u>1,165,124</u>	<u>1,165,124</u>
Total Assets	<u>16,480,972</u>	<u>30,977,398</u>	<u>47,458,370</u>
Deferred Outflows of Resources and Net Pension Asset	<u>616,350</u>	<u>543,845</u>	<u>1,160,195</u>
Current Liabilities	562,191	1,310,886	1,873,077
Long-term liabilities	<u>5,379,371</u>	<u>10,258,788</u>	<u>15,638,159</u>
Total Liabilities	<u>5,941,562</u>	<u>11,569,674</u>	<u>17,511,236</u>
Deferred Inflows of Res.	<u>0</u>	<u>0</u>	<u>-</u>
Net Position:			
Invested in capital assets- net of related debt	7,474,300	16,652,330	24,126,630
Restricted	0	1,165,124	1,165,124
Unrestricted	<u>3,681,460</u>	<u>2,134,115</u>	<u>5,815,575</u>
Total Net Position	<u>\$ 11,155,760</u>	<u>\$ 19,951,569</u>	<u>\$ 31,107,329</u>

The amount restricted in the Business-type Activities category is for various future water and wastewater projects along with funds restricted in accordance with debt requirements.

Condensed Statement of Activities

Table 3 below presents the City's condensed statement of activities for the fiscal year ended September 30, 2023 as derived from the government-wide Statement of Activities. Over time, increases and decreases in net position measure whether the City's financial position is improving or deteriorating. During the fiscal year, the net position of the governmental activities increased by \$352,824 and the net position of the business-type activities increased by \$619,575.

**CITY OF RUPERT, IDAHO
MANAGEMENT DISCUSSION AND ANALYSIS**

Continued...

	<u>Governmental Activities</u>	<u>Business- type Activities</u>	<u>Total Primary Government</u>
Revenue:			
Program revenues			
Charges for services	\$ 1,478,106	\$ 11,713,561	\$ 13,191,667
Capital grants /contributions	513,906		513,906
	<u>1,992,012</u>	<u>11,713,561</u>	<u>13,705,573</u>
Total program revenues			
General revenues			
Taxes	1,382,019		1,382,019
Franchise, licenses, permits	79,098		79,098
State shared revenues	1,219,683		1,219,683
Penalties & interest on delinquencies	70,464		70,464
Gain on sale of assets			0
Earnings on investments	112,517	44,692	157,209
Transfers	723,402	(723,402)	0
Other revenues & Pension Loss	(168,023)	(164,375)	(332,398)
Total general revenues	<u>3,419,160</u>	<u>(843,085)</u>	<u>2,576,075</u>
Total revenues	<u>5,411,172</u>	<u>10,870,476</u>	<u>16,281,648</u>
Program expenses:			
General Government	1,981,002		1,981,002
Public Safety	1,564,434		1,564,434
Highways and Streets	454,681		454,681
Cultural and Recreation	608,015		608,015
Depreciation	308,482		308,482
Electric		5,164,263	5,164,263
Water		1,403,529	1,403,529
Wastewater		2,604,135	2,604,135
Sanitation		727,598	727,598
Interest, long-term debt	141,734	351,376	493,110
Total program expenses	<u>5,058,348</u>	<u>10,250,901</u>	<u>15,309,249</u>
Change in net position	352,824	619,575	972,399
Beginning net position	<u>10,802,936</u>	<u>19,331,994</u>	<u>30,134,930</u>
Ending net position	\$ <u>11,155,760</u>	\$ <u>19,951,569</u>	\$ <u>31,107,329</u>

**CITY OF RUPERT, IDAHO
MANAGEMENT DISCUSSION AND ANALYSIS**

Continued...

Program Expenses and Revenues for Governmental Activities

Table 4 below presents program expenses and revenues for governmental activities. Overall, program revenues were not sufficient to cover program expenses for governmental activities.

**Table 4: Program Expenses and Revenues
for Government Activities
For the Fiscal Year Ended September 30, 2023**

	Program Expenses	Program Revenues	Net Expense (Revenues) (a)
General Government	\$ 1,981,002	\$ 1,681,109	\$ (299,893)
Public Safety	1,564,434	96,335	(1,468,099)
Highways and Streets	454,681		(454,681)
Cultural and Recreation	608,015	214,568	(393,447)
Interest Expense	141,734		(141,734)
Depreciation	308,482		(308,482)
Totals	\$ 5,058,348	\$ 1,992,012	\$ (3,066,336)

(a) Governmental activities are mainly supported by property taxes, State shared revenues and other general government revenue sources.

Program Expenses and Revenues for Business-type Activities

Table 5 below presents program expenses and revenues for business-type activities. Program revenues generated from business-type activities were sufficient to cover program expenses

**Table 5: Program Expenses and Revenues
for Business-type Activities
For the Fiscal Year Ended September 30, 2023**

City Programs	Program Expenses	Program Revenues	Net Program Expenses (Revenues)
Electric	\$ 5,164,263	\$ 6,327,320	\$ 1,163,057
Water	1,403,529	1,547,234	143,705
Wastewater	2,604,135	2,929,075	324,940
Sanitation	727,598	909,932	182,334
Interest on long-term debt	351,376		(351,376)
Totals	\$ 10,250,901	\$ 11,713,561	\$ 1,462,660

**CITY OF RUPERT, IDAHO
MANAGEMENT DISCUSSION AND ANALYSIS**

Continued...

The City of Rupert, Idaho adopts an annual budget. Table 6 below provides a budgetary comparison statement of Governmental Funds. In total, any negative variances are insignificant.

Table 6: Analysis of Significant Budget Variances
for Government Activities
For the Fiscal Year Ended September 30, 2023

MD&A Budget/Actual 2023	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Taxes	\$ 1,559,130	\$ 1,559,130	\$ 1,374,016	\$ (185,114)
Franchises, licenses, permits	67,500	67,500	79,098	11,598
State of Idaho Shared Revenue	1,448,437	1,448,437	1,208,794	(239,643)
Fees fines & charges for service	386,304	386,304	469,576	83,272
Grants and Contributions	2,934,871	2,934,871	513,906	(2,420,965)
Miscellaneous	1,858,724	1,858,724	1,281,495	(577,229)
 Total Revenue	 8,254,966	 8,254,966	 4,926,885	 (3,328,081)
 General Government	 1,747,181	 1,747,181	 1,475,871	 271,310
Public Safety	1,594,141	1,594,141	1,435,351	158,790
Streets	459,559	459,559	456,595	2,964
Debt Service	245,000	245,000	231,734	13,266
Capital outlay	3,731,691	3,731,691	442,867	3,288,824
Parks	187,657	187,657	165,942	21,715
Pool and Recreation	419,628	419,628	440,909	(21,281)
Library	324,583	324,583	281,214	43,369
Animal Control	129,968	129,968	119,913	10,055
 Total Expenditures	 8,839,408	 8,839,408	 5,050,396	 3,789,012
 Excess Revenues (Expenditures)	 (584,442)	 (584,442)	 (123,511)	 460,931

BUDGET VARIANCES IN THE GENERAL FUND

The changes made to the budget format have moved the City into compliance with the budget standards developed by the Government Finance Officers of America (GFOA). An analysis of budget variances this year shows that more assets were budgeted for expenditure than were expended during the current operating cycle.

**CITY OF RUPERT, IDAHO
MANAGEMENT DISCUSSION AND ANALYSIS**

Continued...

**Table 7: Comparison of Statement of Net Position
As of September 30, 2023 and 2022**

	2023	2022	Percentage Change
Current Assets	\$ 9,102,877	5,581,784	38.68%
Capital Assets	37,190,369	38,220,004	-2.77%
Restricted Assets	1,165,124	1,114,662	4.33%
Total Assets	47,458,370	44,916,450	5.36%
Deferred Outflows of Res.	1,160,195	887,091	23.54%
Current Liabilities	1,873,077	997,562	46.74%
Long Term Liabilities	15,638,159	14,449,085	7.60%
Total Liabilities	17,511,236	15,446,647	11.79%
Deferred Inflows of Res.	0	2,003,997	100.00%
Net Position:			
Invested in Capital Assets net of related debt	24,126,630	23,627,786	2.07%
Restricted	1,165,124	1,114,662	4.33%
Unrestricted	5,815,575	3,580,449	38.43%
Total Net Position	\$ 31,107,329	28,322,897	8.95%

CAPITAL ASSET AND LONG-TERM, ACTIVITY

Capital Asset Activity

At September 30, 2023, the City reported \$11,110,632 in capital assets for governmental activities and \$26,079,737 in capital assets for business-type activities, for a total of \$37,202,722 in capital assets.

Long-term Debt Activity

See Note 5 of the financial statements for information on the City's long-term debt.

**CITY OF RUPERT, IDAHO
MANAGEMENT DISCUSSION AND ANALYSIS**

Continued...

**Table 8: Changes in Fixed Assets
for All Funds
For the Fiscal Year Ended September 30, 2023**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Land	\$ 836,448	0	0	\$ 836,448
Construction in Progress	0	806,817	0	806,817
Infrastructure	63,384,062	721,240	0	64,105,302
Buildings and improvements	6,277,130	156,500	0	6,433,630
Vehicles and equipment	<u>6,612,345</u>	<u>247,251</u>	<u>12,353</u>	<u>6,847,243</u>
Totals	<u>77,109,985</u>	<u>1,931,808</u>	<u>12,353</u>	<u>79,054,146</u>
Accumulated Depreciation	<u>40,152,465</u>	<u>1,698,959</u>	<u>0</u>	<u>41,851,424</u>
Net Book Value	\$ <u>36,957,520</u>	<u>232,849</u>	<u>12,353</u>	\$ <u>37,202,722</u>

REQUESTS FOR INFORMATION

Requests for information regarding City finances should be directed to:

City Finance Officer
624 F Street, P.O. Box 426
Rupert, ID 83350
Telephone: (208) 436-9600

CITY OF RUPERT, IDAHO
Statement of Net Position
at September 30, 2023

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total Primary Government</u>	<u>Component Unit Urban Renewal Agency</u>
<u>ASSETS</u>				
Cash and Deposits	\$ 4,804,146	\$ 2,179,866	\$ 6,984,012	
Accounts Receivable		950,563	950,563	
Taxes Receivable	47,251		47,251	
Due From Other Governments	322,751		322,751	
Restricted and Assigned Cash		1,165,124	1,165,124	\$ 237,533
Due From Other Funds	182,643		182,643	
Other Assets and Inventory	13,549	602,108	615,657	
Totals	<u>5,370,340</u>	<u>4,897,661</u>	<u>10,268,001</u>	<u>237,533</u>
Capital Assets:				
Land	629,124	207,324	836,448	
Construction in Progress		806,817	806,817	
Infrastructure	8,042,542	56,062,760	64,105,302	
Buildings and Improvements	5,473,053	960,577	6,433,630	
Equipment and Vehicles	2,713,624	4,133,619	6,847,243	
Accumulated Deprecation	<u>(5,747,711)</u>	<u>(36,091,360)</u>	<u>(41,839,071)</u>	
Total Capital Assets	<u>11,110,632</u>	<u>26,079,737</u>	<u>37,190,369</u>	<u>0</u>
Total Assets	<u>16,480,972</u>	<u>30,977,398</u>	<u>47,458,370</u>	<u>237,533</u>
Deferred Outflows of Resources and Pension Assets:				
Deferred Outflows from Pensions Activity	<u>616,350</u>	<u>543,845</u>	<u>1,160,195</u>	<u>0</u>
<u>LIABILITIES</u>				
Accounts and Payroll Liabilities Payable	472,191	309,449	781,640	
Refundable User Deposits		192,255	192,255	
Due To Other Funds		153,990	153,990	
Long-term Liabilities:				
Portion due or payable within one year:				
Loans Payable	90,000	655,192	745,192	
Portion due or payable after one year:				
Loans Payable	3,535,000	8,618,225	12,153,225	
Premium on Bond Refunding	11,332	0	11,332	
Net Pension Liability	1,691,908	1,492,874		
Compensated Absences	<u>141,131</u>	<u>147,689</u>	<u>288,820</u>	
Total Liabilities	<u>5,941,562</u>	<u>11,569,674</u>	<u>14,326,454</u>	<u>0</u>
Deferred Inflows of Resources:				
Deferred Inflows from Pensions Activity	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>NET POSITION</u>				
Invested in Capital Assets - net of related debt	7,474,300	16,652,330	24,126,630	
Restricted For:				
Debt Service		1,165,124	1,165,124	
Other Purposes				237,533
Unrestricted	<u>3,681,460</u>	<u>2,134,115</u>	<u>5,815,575</u>	
Total Net Position	<u>\$ 11,155,760</u>	<u>\$ 19,951,569</u>	<u>\$ 31,107,329</u>	<u>\$ 237,533</u>

The accompanying notes are a part of these financial statements.

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

Activities:	Expenses	Program Revenues		Net (Expense) Revenues and Changes in Net Position			Component Unit - Urban Renewal Agency
		Fees, Fines, and Charges for Services	Capital Grants and Contributions	Governmental Activities	Business Type Activities	Total	
Governmental:							
Administrative	\$ 1,058,567	\$ 1,204,115	\$ 466,066	\$ 611,614		\$ 611,614	
Buildings	122,571			(122,571)		(122,571)	
City Hall Office	407,158			(407,158)		(407,158)	
Law Enforcement	1,243,607		30,660	(1,212,947)		(1,212,947)	
Streets	454,681			(454,681)		(454,681)	
Parks	167,084			(167,084)		(167,084)	
Pool and Recreation	440,931	214,068	500	(226,363)		(226,363)	
Fire Control	201,139			(201,139)		(201,139)	
Shop	110,808			(110,808)		(110,808)	
Library	281,898	4,542	6,386	(270,970)		(270,970)	
Animal Control	119,688	55,381	10,294	(54,013)		(54,013)	
Interest	141,734			(141,734)		(141,734)	
Unallocated Depreciation	308,482			(308,482)		(308,482)	
Total Governmental Activities	5,058,348	1,478,106	513,906	(3,066,336)		(3,066,336)	
Business Type:							
Electric	5,164,263	6,327,320			\$ 1,163,057	1,163,057	
Water	1,403,529	1,547,234			143,705	143,705	
Wastewater	2,604,135	2,929,075			324,940	324,940	
Sanitation	727,598	909,932			182,334	182,334	
Interest - on long-term debt	351,376				(351,376)	(351,376)	
Total Business-type Activities	10,250,901	11,713,561	0		1,462,660	1,462,660	
Total City of Rupert, Idaho	\$ 15,309,249	\$ 13,191,667	\$ 513,906	(3,066,336)	1,462,660	(1,603,676)	
Component Units:							
Urban Renewal Agency	\$ 0						\$ 0
Total							0
General Revenues:							
				88,058		88,058	
				372,796		372,796	
				665,103		665,103	
				89,151		89,151	
				4,575		4,575	
				79,098		79,098	
				1,382,019		1,382,019	
				70,464		70,464	
				112,517	44,692	157,209	
				31,081		31,081	
						0	
				48,014	0	48,014	
				281	0	281	
				(247,399)	(164,375)	(411,774)	
				723,402	(723,402)	0	
Total general revenues and transfers				3,419,160	(843,085)	2,576,075	0
Changes in net position				352,824	619,575	972,399	0
Net Position - Beginning				10,802,936	19,331,994	30,134,930	237,533
Net Position - Ending				\$ 11,155,760	\$ 19,951,569	\$ 31,107,329	\$ 237,533

The accompanying notes are a part of these financial statements.

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

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>DeMary Library Fund</u>	<u>Animal Control Fund</u>	<u>Total Governmental Funds</u>
ASSETS:					
Cash and Cash Deposits	\$ 4,579,285	\$ 0	\$ 244,852	\$ 130	\$ 4,824,267
Taxes Receivable	39,644		7,607		47,251
Due From Other Governments	322,751				322,751
Due From Other Funds	182,643				182,643
Other Receivables	13,549				13,549
Total Assets	<u>\$ 5,137,872</u>	<u>\$ 0</u>	<u>\$ 252,459</u>	<u>\$ 130</u>	<u>\$ 5,390,461</u>
LIABILITIES:					
Cash Deficit	\$	\$	\$	20,121	\$ 20,121
Accounts Payable	378,058	28,653	1,879	5,524	414,114
Accrued Labor Payable	53,374		3,435	1,268	58,077
Total Liabilities	431,432	28,653	5,314	26,913	492,312
DEFERRED INFLOWS OF RESOURCES:					
Unavailable Revenue - LID Assessment	11,281				11,281
Unavailable Revenue - Property Taxes	33,791		6,484		40,275
Total Deferred Inflows of Resources	45,072	0	6,484	0	51,556
FUND BALANCE:					
Non-spendable					0
Restricted					0
Committed					0
Assigned			240,661		240,661
Unassigned	4,661,368	(28,653)		(26,783)	4,605,932
Total Fund Balance	4,661,368	(28,653)	240,661	(26,783)	4,846,593
Total Liabilities and Fund Balance	<u>\$ 5,137,872</u>	<u>\$ 0</u>	<u>\$ 252,459</u>	<u>\$ 130</u>	

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

Governmental fund capital assets are not financial resources and therefore are not reported in the funds. The cost of assets is \$ 16,858,343 and the accumulated depreciation is \$ 5,747,711	11,110,632
Long-term liabilities, including bonds and compensated absences are not payable in the current period and therefore are not reported in the governmental funds	(3,725,907)
Pension activity is not reported in the government funds	(1,075,558)
Net Position of Governmental Funds	<u>\$ 11,155,760</u>

The accompanying notes are a part of these financial statements.

CITY OF RUPERT, IDAHO
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
for the year ended September 30, 2023

	General Fund	Debt Service Fund	DeMary Library Fund	Animal Control Fund	Total Governmental Funds
REVENUE:					
Property taxes	\$ 1,076,347	\$ 103,478	\$ 194,191	\$	\$ 1,374,016
Franchises, licenses, permits	77,438			1,660	79,098
State of Idaho shared revenue	665,103				665,103
State of Idaho sales tax	0		89,151		89,151
State of Idaho liquor receipts	88,058				88,058
State highway user collections	372,796				372,796
Penalty collection / delinquent notices	70,464				70,464
County court fines	31,081				31,081
Highway Road and Bridge tax	4,575				4,575
Fees, fines and charges for services	403,339		4,542	55,381	463,262
Grants and contributions	497,226		6,386	10,294	513,906
Interest earnings	112,418	99			112,517
Gain on Sale of Assets	46,488				46,488
Miscellaneous	0		1,077	449	1,526
Admin costs paid by Utility Funds	1,014,844				1,014,844
Total Revenue	4,460,177	103,577	295,347	67,784	4,926,885
EXPENDITURES:					
Administration	834,894				834,894
Buildings	121,718				121,718
City Hall Office	407,953				407,953
Law Enforcement	1,236,924				1,236,924
Streets	456,595				456,595
Parks	165,942				165,942
Pool and Recreation	440,909				440,909
Fire Control	198,427				198,427
Shop	111,306				111,306
Debt Service		231,734			231,734
Capital Outlay	442,867				442,867
Library			281,214		281,214
Animal Control				119,913	119,913
Total Expenditures	4,417,535	231,734	281,214	119,913	5,050,396
EXCESS REVENUE (EXPENDITURES)	42,642	(128,157)	14,133	(52,129)	(123,511)
OTHER FINANCING SOURCES (USES):					
Operating transfers from other funds	723,402			39,442	762,844
Operating transfers (to) other funds	(39,442)				(39,442)
NET CHANGE IN FUND BALANCES	726,602	(128,157)	14,133	(12,687)	599,891
FUND BALANCE - BEGINNING	3,934,766	99,504	226,528	(14,096)	4,246,702
FUND BALANCE - ENDING	\$ 4,661,368	\$ (28,653)	\$ 240,661	\$ (26,783)	\$ 4,846,593

The accompanying notes are a part of these financial statements.

CITY OF RUPERT, 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 14)	\$ 599,891
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Governmental funds report capital outlays as current year expenditures. In the Statement of Activities the cost of these assets is allocated over their estimated useful lives as depreciation expense. This is the amount of current capital outlay for new fixed assets.

This is the amount of current year depreciation.	308,482
--	---------

This is the amount of new assets paid in the Government Funds.	(226,532)
--	-----------

This is the amount of disposed of Governmental Fund assets.	12,353
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Long term liabilities are not recorded in the Governmental funds. Principal and interest paid on capital debt are recorded as expenditures in the Governmental Funds. Principal amounts paid are not recorded as expenditures in the Statement of Net Position.

This is the amount of current principal/premium adjustments on capital debt.	(101,974)
--	-----------

Gain (Loss) on Pension Activity	(247,399)
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Some property taxes will not be collected for several months after the City's fiscal year end. They are not considered available revenues in the governmental funds, but are recorded as deferred tax revenues. However, they are recorded as revenues in the Statement of Activities.

This is the change in deferred revenue in the current year.	<u>8,003</u>
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Change in Net Position of Governmental Activities (Page 12)	\$ <u><u>352,824</u></u>
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The accompanying notes are a part of these financial statements.

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

	Electric Fund	Water Fund	Wastewater Fund	Sanitation Fund	Totals
Assets:					
Current Assets:					
Cash and Deposits	\$ 1,150,184	\$ 264,354	\$ 360,804	\$ 404,524	\$ 2,179,866
Accts receivable - customers	529,484	122,962	229,618	68,499	950,563
Inventory	425,792	112,302	64,014	0	602,108
	<u>2,105,460</u>	<u>499,618</u>	<u>654,436</u>	<u>473,023</u>	<u>3,732,537</u>
Restricted Current Assets:					
Cash and Deposits	<u>207,313</u>	<u>132,307</u>	<u>825,504</u>	<u>0</u>	<u>1,165,124</u>
Total Current Assets	<u>2,312,773</u>	<u>631,925</u>	<u>1,479,940</u>	<u>473,023</u>	<u>4,897,661</u>
Capital Assets:					
Plant and equipment	10,480,785	8,459,360	42,013,585	1,217,367	62,171,097
Accumulated depreciation	<u>(7,553,498)</u>	<u>(4,720,089)</u>	<u>(22,844,288)</u>	<u>(973,485)</u>	<u>(36,091,360)</u>
Net Plant and equipment	<u>2,927,287</u>	<u>3,739,271</u>	<u>19,169,297</u>	<u>243,882</u>	<u>26,079,737</u>
Total Assets	<u>5,240,060</u>	<u>4,371,196</u>	<u>20,649,237</u>	<u>716,905</u>	<u>30,977,398</u>
Deferred Outflows of Resources and Net Pension Asset:					
Deferred Outflows from Pensions	<u>198,897</u>	<u>107,297</u>	<u>142,181</u>	<u>95,470</u>	<u>543,845</u>
Liabilities:					
Current Liabilities:					
Accounts and Other Accrued Payables	40,297	132,428	75,646	6,312	254,683
Accrued Payroll Payable	20,797	9,092	13,456	11,421	54,766
Due To Other Funds				153,990	153,990
Customer Deposits	192,255				192,255
Current portion long-term debt	<u>0</u>	<u>60,000</u>	<u>595,192</u>	<u>0</u>	<u>655,192</u>
Total current liabilities	<u>253,349</u>	<u>201,520</u>	<u>684,294</u>	<u>171,723</u>	<u>1,310,886</u>
Noncurrent Liabilities:					
Bonds and Capital Leases Payable	0	596,977	8,021,248		8,618,225
Net Pension Liability	545,979	294,536	390,293	262,066	1,492,874
Compensated Absences Payable	<u>65,580</u>	<u>24,747</u>	<u>32,534</u>	<u>24,828</u>	<u>147,689</u>
Total noncurrent liabilities	<u>611,559</u>	<u>916,260</u>	<u>8,444,075</u>	<u>286,894</u>	<u>10,258,788</u>
Total Liabilities	<u>864,908</u>	<u>1,117,780</u>	<u>9,128,369</u>	<u>458,617</u>	<u>11,569,674</u>
Deferred Inflows of Resources:					
Deferred Inflows from Pensions	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Position:					
Investment in capital assets					
net of related debt	2,927,287	3,082,294	10,552,857	89,892	16,652,330
Restricted	207,313	132,307	825,504	0	1,165,124
Unrestricted	<u>1,439,449</u>	<u>146,112</u>	<u>284,688</u>	<u>263,866</u>	<u>2,134,115</u>
Total Net Position	<u>\$ 4,574,049</u>	<u>\$ 3,360,713</u>	<u>\$ 11,663,049</u>	<u>\$ 353,758</u>	<u>\$ 19,951,569</u>

The accompanying notes are a part of these financial statements.

CITY OF RUPERT, IDAHO
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
for the year ended September 30, 2023

	<u>Electric Fund</u>	<u>Water Fund</u>	<u>Wastewater Fund</u>	<u>Sanitation Fund</u>	<u>Totals</u>
Operating Revenues:					
Charges for services	\$ 6,324,820	\$ 1,526,436	\$ 2,916,100	\$ 886,506	\$ 11,653,862
Miscellaneous	<u>2,500</u>	<u>20,798</u>	<u>12,975</u>	<u>23,426</u>	<u>59,699</u>
Total Operating Revenue	<u>6,327,320</u>	<u>1,547,234</u>	<u>2,929,075</u>	<u>909,932</u>	<u>11,713,561</u>
Operating Expenses:					
Salaries and benefits	828,561	477,425	609,106	457,595	2,372,687
Administrative and supplies	6,373	98,593	71,272	10,821	187,059
Operations and maintenance	3,567,667	371,176	771,060	131,235	4,841,138
Administrative fees to General Fund	537,867	227,454	274,008	81,188	1,120,517
Depreciation	<u>223,795</u>	<u>228,881</u>	<u>878,689</u>	<u>46,759</u>	<u>1,378,124</u>
Total Operating Expenses	<u>5,164,263</u>	<u>1,403,529</u>	<u>2,604,135</u>	<u>727,598</u>	<u>9,899,525</u>
Net Operating Income	<u>1,163,057</u>	<u>143,705</u>	<u>324,940</u>	<u>182,334</u>	<u>1,814,036</u>
Nonoperating Revenues (Expenses):					
Interest Income	7,952	5,075	31,665	0	44,692
Interest Expense		(32,458)	(315,779)	(3,139)	(351,376)
Grants					0
Gain on Sale of Assets					
Gain (Loss) on Pension Activity	<u>(42,293)</u>	<u>(40,984)</u>	<u>(56,874)</u>	<u>(24,224)</u>	<u>(164,375)</u>
Total Nonoperating	<u>(34,341)</u>	<u>(68,367)</u>	<u>(340,988)</u>	<u>(27,363)</u>	<u>(471,059)</u>
Income before transfers	<u>1,128,716</u>	<u>75,338</u>	<u>(16,048)</u>	<u>154,971</u>	<u>1,342,977</u>
Transfers in					0
Transfers out	<u>(484,639)</u>	<u>(73,651)</u>	<u>(116,280)</u>	<u>(48,832)</u>	<u>(723,402)</u>
Net Income	<u>644,077</u>	<u>1,687</u>	<u>(132,328)</u>	<u>106,139</u>	<u>619,575</u>
Total Net Position - Beginning	<u>3,929,972</u>	<u>3,359,026</u>	<u>11,795,377</u>	<u>247,619</u>	<u>19,331,994</u>
Total Net Position - Ending	<u>\$ 4,574,049</u>	<u>\$ 3,360,713</u>	<u>11,663,049</u>	<u>\$ 353,758</u>	<u>\$ 19,951,569</u>

The accompanying notes are a part of these financial statements.

CITY OF RUPERT, IDAHO
Statement of Cash Flows
Proprietary Funds
for the year ended September 30, 2023

	<u>Electric Fund</u>	<u>Water Fund</u>	<u>Wastewater Fund</u>	<u>Sanitation Fund</u>	<u>Total</u>
Cash Flows From Operating Activities:					
Receipts from customers	\$ 6,395,976	\$ 1,545,769	\$ 2,874,042	\$ 885,283	\$ 11,701,070
Payments to suppliers	(3,544,285)	(376,333)	(839,671)	(145,556)	(4,905,845)
Payments to employees	(833,212)	(473,931)	(615,868)	(458,020)	(2,381,031)
Payments to General Fund for Administration	(537,867)	(227,454)	(274,008)	(81,188)	(1,120,517)
Other receipts	2,500	7,775	12,975	23,426	46,676
Net cash provided (used) by operations	<u>1,483,112</u>	<u>475,826</u>	<u>1,157,470</u>	<u>223,945</u>	<u>3,340,353</u>
Cash Flows From Capital and Related Financing Activities:					
Purchase and construction of capital assets	(139,500)	(361,310)	(1,164,466)	(40,000)	(1,705,276)
Principal paid on capital debt	0	(60,000)	(573,003)	0	(633,003)
Interest paid on capital debt	<u>0</u>	<u>(32,458)</u>	<u>(315,779)</u>	<u>(3,139)</u>	<u>(351,376)</u>
Net cash provided (used) by capital and related financing activities	<u>(139,500)</u>	<u>(453,768)</u>	<u>(2,053,248)</u>	<u>(43,139)</u>	<u>(2,689,655)</u>
Cash Flows From Investing Activities:					
Due to other funds				(41,862)	(41,862)
Transfers In/(Out)	(484,639)	(73,651)	(116,280)	(48,832)	(723,402)
Interest Income	7,952	5,075	31,665	0	44,692
Net cash provided (used) by investing	<u>(476,687)</u>	<u>(68,576)</u>	<u>(84,615)</u>	<u>(90,694)</u>	<u>(720,572)</u>
Net Increase (Decrease) in Cash and Deposits	866,925	(46,518)	(980,393)	90,112	(69,874)
Balances - Beginning of the year	<u>490,572</u>	<u>443,179</u>	<u>2,166,701</u>	<u>314,412</u>	<u>3,414,864</u>
Balances - Ending of the year	<u>\$ 1,357,497</u>	<u>396,661</u>	<u>\$ 1,186,308</u>	<u>\$ 404,524</u>	<u>\$ 3,344,990</u>
Displayed as:					
Pooled Cash and Investments	1,150,184	264,354	360,804	404,524	2,179,866
Restricted Assets	<u>207,313</u>	<u>132,307</u>	<u>825,504</u>		<u>1,165,124</u>
Balances - Ending of the year	<u>\$ 1,357,497</u>	<u>396,661</u>	<u>\$ 1,186,308</u>	<u>\$ 404,524</u>	<u>\$ 3,344,990</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:					
Operating Income	1,163,057	143,705	324,940	182,334	1,814,036
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation expense	223,795	228,881	878,689	46,759	1,378,124
Changes in assets and liabilities:					
Receivables, net	72,956	19,332	(42,345)	(1,222)	48,721
Accounts and other payables	5,523	101,424	(576)	(3,926)	102,445
Transfers in (out)					0
Change in inventory and customer deposits	<u>17,781</u>	<u>(17,516)</u>	<u>(3,238)</u>		<u>(2,973)</u>
Net Cash Provided (Used) by Operating Activity	<u>\$ 1,483,112</u>	<u>475,826</u>	<u>\$ 1,157,470</u>	<u>\$ 223,945</u>	<u>\$ 3,340,353</u>

The accompanying notes are a part of these financial statements.

CITY OF RUPERT, IDAHO
Notes to the Financial Statements
September 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Rupert, Idaho became an incorporated city under the laws of the State of Idaho on April 12, 1906. The accounting policies of the City of Rupert, Idaho conform to generally accepted accounting principles as applicable to governmental units. The financial statements of the City of Rupert, Idaho have been prepared in conformity with the generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental and business-type activities (enterprise funds) provided they do not conflict with or contradict GASB pronouncements. The following is a summary of the more significant policies:

(A) Basis of Presentation – Basis of Accounting

Basis of Presentation:

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

Government-wide Statements: The statement of net position and the statement of activities display information about the primary government (the City). These statements distinguish between the *governmental* and *business-type activities* of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the City's funds. Separate statements for each fund category—*governmental* and *proprietary*—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

CITY OF RUPERT, IDAHO
Notes to the Financial Statements
September 30, 2023

-Continued

The City reports the following governmental funds:

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

The City reports the following enterprise funds:

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

Discretely Presented Component Unit

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

Measurement Focus, Basis of Accounting

Government-wide and Proprietary Fund Financial Statements. The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

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

CITY OF RUPERT, IDAHO
Notes to the Financial Statements
September 30, 2023

-continued

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

Entity Classifications.

- A. City-Wide Financial Statements – The City reports net position in three categories – invested in capital assets, restricted and unrestricted.
- B. Fund Financial Statements – The City has adopted GASB Statement No. 54 “Fund Balance Reporting and Governmental Fund Type Definitions” (GASB 54) which defines how fund balances of the governmental funds are presented in the financial statements. There are five classifications of fund balances as presented below:

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

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

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

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

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

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

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

(B) Assets, Liabilities, and Equity

Deposits and Investments

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

Cash and Deposits

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

Receivables and Payable

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

Property Tax Calendar

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

Budgetary Data

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

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

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

Use of Estimates

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

Inventory

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

Capital Assets

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

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

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

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

CITY OF RUPERT, IDAHO
Notes to the Financial Statements
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Compensated Absences

The liability for compensated absences reported in the government-wide and proprietary fund statements consists of unpaid, accumulated annual vacation and sick leave balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included.

Pensions

For purposes of measuring the net pension liability and pension expense, information about the fiduciary net position of the Public Employee Retirement System of Idaho Base Plan (Base Plan) and additions to/deductions from Base Plan's fiduciary net position have been determined on the same basis as they are reported by the Base Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Outflows/Inflows of Resources

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

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

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

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

NOTE 2 – CASH AND DEPOSITS

Deposits: Custodial credit risk, in the case of deposits, is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The City has no deposit policy for custodial credit risk. At year end, \$ 2,410,042 of the City's bank balances were exposed to custodial credit risk because it was not covered by the FDIC.

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

CITY OF RUPERT, IDAHO
Notes to the Financial Statements
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Investment Type

Idaho State Local Government Investment Pool \$ 5,366,273

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

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

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

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

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

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

Cash on Hand	\$ 2,545
Deposits with financial institutions:	
Demand deposits	2,660,042
Timed Certificates of deposit	22,950
State of Idaho Investment Pool	<u>5,366,273</u>
Total	<u>\$ 8,051,810</u>

NOTE 3 – DELINQUENT TAXES RECEIVABLE

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

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

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

NOTE 4 – CAPITAL ASSETS

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

	<u>Beginning Balances</u>		<u>Increases</u>		<u>Decreases</u>		<u>Ending Balances</u>
Governmental Activities:							
<i>Capital Assets not being depreciated:</i>							
Land	\$ 629,124	\$		\$		\$	629,124
Construction in Progress	0						0
Total	<u>629,124</u>		<u>0</u>		<u>0</u>		<u>629,124</u>
<i>Capital Assets being depreciated:</i>							
Buildings & Improvements	5,456,053		17,000				5,473,053
Infrastructure	7,942,799		99,743				8,042,542
Vehicles and Equipment	2,616,188		109,789		12,353		2,713,624
Total	<u>16,015,040</u>		<u>226,532</u>		<u>12,353</u>		<u>16,229,219</u>
Less: Accumulated Depreciation:	<u>5,439,229</u>		<u>320,835</u>		<u>12,353</u>		<u>5,747,711</u>
Total Net Depreciated Assets	<u>10,575,811</u>		<u>(94,303)</u>		<u>0</u>		<u>10,481,508</u>
Governmental capital assets, net	\$ <u>11,204,935</u>	\$	<u>(94,303)</u>	\$	<u>0</u>	\$	<u>11,110,632</u>
Business-type activities:							
<i>Capital Assets not being depreciated:</i>							
Land	\$ 207,324	\$		\$		\$	207,324
Construction in Progress	0		806,817				806,817
Total	<u>207,324</u>		<u>806,817</u>		<u>0</u>		<u>1,014,141</u>
<i>Capital Assets being depreciated:</i>							
Buildings & Improvements	821,077		139,500				960,577
Infrastructure	55,441,263		621,497				56,062,760
Vehicles and Equipment	3,996,157		137,462				4,133,619
Total	<u>60,258,497</u>		<u>898,459</u>		<u>0</u>		<u>61,156,956</u>
Less: Accumulated Depreciation	<u>34,713,236</u>		<u>1,378,124</u>				<u>36,091,360</u>
Total Net Depreciated Assets	<u>25,545,261</u>		<u>(479,665)</u>		<u>0</u>		<u>25,065,596</u>
Business-type capital assets, net	\$ <u>25,752,585</u>	\$	<u>327,152</u>	\$	<u>0</u>	\$	<u>26,079,737</u>

CITY OF RUPERT, IDAHO
Notes to the Financial Statements
September 30, 2023

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NOTE 5 - BONDS PAYABLE

In December 2012 the City signed documents to refinance the Sewer Bond Series 1088, 2001, 2008A, 2008B, 2008C, and 2009 by using Idaho Bond Bank Authority Revenue Bonds, Series 2012.

The Wastewater Parity Lien Revenue Refunding Bond is at the par amount of \$10,570,000 plus a premium of \$1,390,324 less underwriter discount of \$40,070, for a net purchase price of \$11,920,254. Proceeds from the municipal bond were used to pay off the prior bonds in the amount of \$11,804,674, plus fees and costs of \$114,315. The City was to transfer \$408,100 of funds held in the reserve funds for the prior bonds, for a total reserve of \$732,369. Bond repayment is scheduled to be complete in September 2038, with total interest expense of \$5,316,977 over the full term of repayment. Interest rates vary from 2% to 5%. The bond premium will be amortized over the life of the bonds.

Repayment of the bonds is scheduled in a later section of these financial statements.

In September 2013, the City issued the Wastewater Parity Lien Revenue Bond for the purpose of financing improvements to the wastewater system. At that time interim financing in the amount of \$3,351,000 plus interest was paid off. Interest in the amount of \$41,173 was capitalized and added to the project cost. The interim financing was paid upon completion of the sewer improvement project with funds provided by a USDA Rural Development Bond in the amount of \$3,452,000 at an interest rate of 2.125%.

Repayment of the bond is scheduled in a later section of these financial statements.

In December of 2012 the City signed documents to refinance the Water Revenue Bond Series 2002 by issuing Idaho Bond Bank Authority Revenue Bonds, Series 2012.

The Water Revenue Refunding Bond is at the par amount of \$1,225,000 plus a premium of \$191,149 less underwriter discount of \$4,614, for a net purchase price of \$1,411,535. Proceeds from the municipal bond were used to pay off the prior bond in the amount of \$1,387,421, plus fees and costs of \$21,001. Of the \$117,423 held in the reserve fund for the prior bond, \$92,700 was applied to fund the new Reserve Fund, with the balance to be used in part to pay the prior bond. Bond repayment is scheduled to be complete in September of 2032 with total interest expense of \$579,652 over the full term of repayment. Interest rates vary from 2% to 5%. The bond premium will be amortized over the life of the bonds.

In March of 2018 the City sold \$ 3,950,000 Series 2018A Revenue Bonds in order to fund certain City infrastructure projects, including road repaving and repair, storm water and water system repairs and improvements, repair of underground utilities and renovations to certain parks. This revenue bond series was sold at a premium of \$ 12,348. Bond repayment is scheduled to be complete in September of 2047 with total interest expense of \$ 2,708,274 over the full term of repayment. Interest rates vary from 3.375% to 5%. The bond premium will be amortized over the life of the bonds.

Repayment of the bond is scheduled in a later section of these financial statements.

In June of 2021 the City signed documents to refinance the Water Refunding Bond Series 2012 and the Wastewater Refunding Bond Series 2012 by issuing Idaho Bond Bank Authority Revenues Bonds, series 2021.

CITY OF RUPERT, IDAHO
Notes to the Financial Statements
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The Water Revenue Refunding Bond , series 2021 is at the par amount of \$ 645,000 plus an un-refunding bond payable of \$140,000. Proceeds from the municipal bond were used to pay off the prior bond in the amount of \$ 785,000. Bond repayment is scheduled to be complete in September of 2032 with total interest expense of \$203,084 over the full term of repayment. Interest rates vary from 1.97% to 5%. The bond premium will be amortized over the life of the bonds.

The Wastewater Revenue Refunding Bond , series 2021 is at the par amount of \$ 6,200,000 plus an un-refunding bond payable of \$925,000. Proceeds from the municipal bond were used to pay off the prior bond in the amount of \$7,125,000. Bond repayment is scheduled to be complete in September of 2032 with total interest expense of \$1,805,838 over the full term of repayment. Interest rates vary from 1.97% to 5%. The bond premium will be amortized over the life of the bonds.

Repayment of these bonds is scheduled in a later section of these financial statements.

NOTE 6 – CAPITAL LEASES

As of the financial statement date, the City does not have any capital leases.

NOTE 7 – OPERATING LEASES

The City is obligated under operating leases for vehicles and equipment. Operating leases do not give rise to property rights or purchase obligations, and therefore the results of the lease agreements are not reflected in the City's capital assets.

<u>Description</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Cat Excavator	\$13,366	\$13,366	\$13,366
Septic Pump Truck	81,415	81,415	
Totals	<u>\$94,781</u>	<u>\$94,781</u>	<u>\$13,366</u>

NOTE 8 – LITIGATION

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

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NOTE 9 – RESTRICTED NET ASSETS

The ordinance authorizing the Enterprise Fund revenue bonds requires that the City establish certain restricted cash accounts to be used in the retirement of the bonds and improvements to the water and waste-water systems. In addition, certain cash amounts are restricted for use in law enforcement, zoning ordinance enforcement, and for other restrictions imposed by the City Council in the general fund, and for debt retirement in the long-term debt group of accounts. The City's policy is to first apply unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. These restricted amounts are as follows:

	<u>General Fund</u>	<u>Enterprise Funds</u>
Electric Fund		\$ 207,313
Water Revenue Bond Debt Service		132,307
Wastewater Bonds Debt Service	<u> </u>	<u>825,504</u>
Totals	<u>\$ 0</u>	<u>\$ 1,165,124</u>

NOTE 10 – RISK MANAGEMENT

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

NOTE 11 – RUPERT URBAN RENEWAL AGENCY

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

NOTE 12 – ANIMAL CONTROL FACILITY JOINT VENTURE

Effective October 1, 2013, the City has agreed to accept the responsibility of handling operation of the animal control facility, including hiring of personnel and administration of financial and operational activities. Cash and capital assets were transferred to the City at that time. The City has a 29.1% ownership interest in the animal control facility improvements located on real property owned by the City of Paul, Idaho. The City of Rupert's current contribution to the operating costs under this agreement is \$39,442. In the event of terminating its participation in the agreement, the City would retain an ownership interest in the animal control facility, but all personal property acquired would remain in place for use by the remaining parties. In the event of complete termination, all joint property would be sold, with the proceeds to be distributed in proportion to each entity's contribution.

CITY OF RUPERT, IDAHO
Notes to the Financial Statements
September 30, 2023

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NOTE 13 – INTERFUND TRANSFERS

The City transfers monies between funds with budgetary constraints as listed in the following table.

		Transfers To:			
		General Fund	Electric Fund	Animal Control	Totals Out
Transfers From:					
General Fund	\$		\$	\$ 39,442	\$ 39,442
Animal Control					
Water Fund		73,651			73,651
Wastewater Fund		116,280			116,280
Electric Fund		484,639			484,639
Sanitation Fund		48,832			48,832
Totals in	\$	<u>723,402</u>	\$ <u>0</u>	\$ <u>39,442</u>	\$ <u>762,844</u>

NOTE 13 – EMPLOYEE RETIREMENT PLAN

Plan Description

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

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

CITY OF RUPERT, IDAHO
Notes to the Financial Statements
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Pension Benefits

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

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

Member and Employer Contributions

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

The contribution rates for employees are set by statute at 60% of the employer rate for general employees and 74% 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% for general employees and 12.28% for police and firefighters. The City's contributions were \$ 405,805 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 a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2023, the City's proportion was 0.07980563 percent.

For the year ended September 30, 2023, the City recognized pension expense (revenue) of \$411,775. 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 RUPERT, IDAHO
Notes to the Financial Statements
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	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 298,938	\$ 0
Changes in assumptions or other inputs	\$ 315,360	
Net difference between projected and actual earnings on pension plan investments	\$ 545,896	
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	\$ (101,451)	
City's contributions subsequent to the measurement date	\$ 101,451	
Total	\$1,160,194	\$ 0

\$ 101,451 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 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:

Year ended September 30, 2023:

2024	\$ 412,590
2025	\$ 193,887
2026	\$ 603,154
2027	\$ (49,438)

Actuarial Assumptions

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

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Notes to the Financial Statements
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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	3.05%
Salary inflation	3.05%
Investment rate of return	6.35%, net of investment expenses
Cost-of-living adjustments	1%

Contributing Members, Service Retirement Members, and Beneficiaries

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

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

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

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

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

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

An experience study was performed for the period July 1, 2015, through June 30, 2020, which reviewed all economic and demographic assumptions including mortality. The Total Pension Liability as of June 30, 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.

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Notes to the Financial Statements
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2023

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

Discount Rate

The discount rate used to measure the total pension liability was 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 available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return was determined net of pension plan investment expense but without reduction for pension plan administrative expense.

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

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

	1% Decrease (5.35%)	Current Discount Rate (6.35%)	1% Increase (7.35%)
Employer's proportionate share of the net pension liability (asset)	\$ 3,152,932	\$ 3,184,780	\$ 3,216,628

CITY OF RUPERT, IDAHO
Notes to the Financial Statements
September 30, 2023

-Continued

Pension plan fiduciary net position

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

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

Payables to the pension plan

At September 30, 2023, the City reported payables to the defined benefit pension plan of \$ 0 for legally required employer contributions and \$ 0 for legally required employee contributions which had been withheld from employee wages but not yet remitted to PERSI.

NOTE 14 – SUBSEQUENT EVENTS

Subsequent events were evaluated through the audit report date.

**REQUIRED
SUPPLEMENTARY INFORMATION**

CITY OF RUPERT, 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>
REVENUE:				
Property Taxes	\$ 1,135,122	\$ 1,135,122	\$ 1,076,347	\$ (58,775)
Franchises, licenses, permits	66,000	66,000	77,438	11,438
State of Idaho shared revenue	593,150	593,150	665,103	71,953
State of Idaho sales tax	341,150	341,150	0	(341,150)
State of Idaho liquor receipts	91,000	91,000	88,058	(2,942)
State highway user collections	343,137	343,137	372,796	29,659
Penalty collection and delinquent notices	58,500	58,500	70,464	11,964
County court fines	19,000	19,000	31,081	12,081
Highway Road and Bridge tax	8,000	8,000	4,575	(3,425)
Fees, fines, and charges for services	329,003	329,003	403,339	74,336
Grants and contributions	2,887,571	2,887,571	497,226	(2,390,345)
Earnings on investments	25,000	25,000	112,418	87,418
Gain on Sale of Assets			46,488	46,488
Miscellaneous	5,000	5,000	0	(5,000)
Administrative costs paid by Utility Funds	1,738,224	1,738,224	1,014,844	(723,380)
Total Revenue	<u>7,639,857</u>	<u>7,639,857</u>	<u>4,460,177</u>	<u>(3,179,680)</u>
EXPENDITURES:				
Administration	947,197	947,197	834,894	112,303
Buildings	218,169	218,169	121,718	96,451
City Hall Office	419,835	419,835	407,953	11,882
Law Enforcement	1,288,857	1,288,857	1,236,924	51,933
Streets	459,559	459,559	456,595	2,964
Parks	187,657	187,657	165,942	21,715
Pool and Recreation	419,628	419,628	440,909	(21,281)
Fire Control	305,284	305,284	198,427	106,857
Shop	122,538	122,538	111,306	11,232
Capital outlay	<u>3,731,691</u>	<u>3,731,691</u>	<u>442,867</u>	<u>3,288,824</u>
Total Expenditures	<u>8,100,415</u>	<u>8,100,415</u>	<u>4,417,535</u>	<u>3,682,880</u>
EXCESS REVENUE (EXPENDITURES)	(460,558)	(460,558)	42,642	503,200
OTHER FINANCING SOURCES (USES):				
Operating transfers from other funds			723,402	723,402
Operating transfers (to) other funds	<u>(39,442)</u>	<u>(39,442)</u>	<u>(39,442)</u>	<u>0</u>
NET CHANGE IN FUND BALANCES	(500,000)	(500,000)	726,602	1,226,602
FUND BALANCE - BEGINNING	<u>3,934,766</u>	<u>3,934,766</u>	<u>3,934,766</u>	<u>0</u>
FUND BALANCE - ENDING	<u>\$ 3,434,766</u>	<u>\$ 3,434,766</u>	<u>\$ 4,661,368</u>	<u>\$ 1,226,602</u>

CITY OF RUPERT, IDAHO
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual -- DeMary Memorial Library
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>
REVENUE:				
Property Taxes	\$ 179,008	\$ 179,008	\$ 194,191	\$ 15,183
County Sales tax	80,000	80,000	82,837	2,837
County membership	5,200	5,200	6,314	1,114
Fees, fines, and charges for services	3,075	3,075	4,542	1,467
Grants and contributions	12,300	12,300	6,386	(5,914)
Earnings on investments	0	0		0
Miscellaneous			1,077	1,077
Total Revenue	<u>279,583</u>	<u>279,583</u>	<u>295,347</u>	<u>15,764</u>
EXPENDITURES:				
Personnel expense	200,257	200,257	184,438	15,819
Operations and Maintenance	124,326	124,326	96,776	27,550
Capital outlay			0	0
Contingency				0
Total Expenditures	<u>324,583</u>	<u>324,583</u>	<u>281,214</u>	<u>43,369</u>
EXCESS REVENUE (EXPENDITURES)	(45,000)	(45,000)	14,133	59,133
OTHER FINANCING SOURCES (USES):				
Operating transfers from other funds				0
Operating transfers (to) other funds				0
NET CHANGE IN FUND BALANCES	(45,000)	(45,000)	14,133	59,133
FUND BALANCE - BEGINNING	<u>226,528</u>	<u>226,528</u>	<u>226,528</u>	<u>0</u>
FUND BALANCE - ENDING	<u>\$ 181,528</u>	<u>\$ 181,528</u>	<u>\$ 240,661</u>	<u>\$ 59,133</u>

CITY OF RUPERT, IDAHO
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual -- Animal Control 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>
REVENUE:				
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Franchises, licenses, permits	1,500	1,500	1,660	160
City Joint Power Agreements	14,026	14,026	15,871	1,845
Minidoka County fees	20,000	20,000	24,375	4,375
Fees, fines, and charges for services	15,000	15,000	15,135	135
Grants and contributions	35,000	35,000	10,294	(24,706)
Miscellaneous	5,000	5,000	449	(4,551)
Total Revenue	<u>90,526</u>	<u>90,526</u>	<u>67,784</u>	<u>(22,742)</u>
EXPENDITURES:				
Personnel expense	85,968	85,968	85,648	320
Operations and Maintenance	44,000	44,000	34,265	9,735
Capital outlay				0
Contingency				0
Total Expenditures	<u>129,968</u>	<u>129,968</u>	<u>119,913</u>	<u>10,055</u>
EXCESS REVENUE (EXPENDITURES)	(39,442)	(39,442)	(52,129)	(12,687)
OTHER FINANCING SOURCES (USES):				
Operating transfers from other funds	39,442	39,442	39,442	0
Operating transfers (to) other funds				0
NET CHANGE IN FUND BALANCES	0	0	(12,687)	(12,687)
FUND BALANCE - BEGINNING	<u>(14,096)</u>	<u>(14,096)</u>	<u>(14,096)</u>	<u>0</u>
FUND BALANCE - ENDING	<u>\$ (14,096)</u>	<u>\$ (14,096)</u>	<u>\$ (26,783)</u>	<u>\$ (12,687)</u>

CITY OF RUPERT, IDAHO
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual -- Debt Service 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>
REVENUE:				
Property Taxes	\$ 245,000	\$ 245,000	\$ 103,478	\$ (141,522)
Earnings on investments			99	99
Miscellaneous				0
Total Revenue	<u>245,000</u>	<u>245,000</u>	<u>103,577</u>	<u>(141,423)</u>
EXPENDITURES:				
Rupert Square				0
Water construction				0
Wastewater construction				0
Street construction				0
Senior Center				0
Debt Service	<u>245,000</u>	<u>245,000</u>	<u>231,734</u>	<u>13,266</u>
Total Expenditures	<u>245,000</u>	<u>245,000</u>	<u>231,734</u>	<u>13,266</u>
EXCESS REVENUE (EXPENDITURES)	0	0	(128,157)	(128,157)
OTHER FINANCING SOURCES (USES):				
Operating transfers from other funds	0	0	0	0
Operating transfers (to) other funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
NET CHANGE IN FUND BALANCES	0	0	(128,157)	(128,157)
FUND BALANCE - BEGINNING	<u>99,504</u>	<u>99,504</u>	<u>99,504</u>	<u>0</u>
FUND BALANCE - ENDING	<u>\$ 99,504</u>	<u>\$ 99,504</u>	<u>\$ (28,653)</u>	<u>\$ (128,157)</u>

CITY OF RUPERT, 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	0.0875161%	0.0883808%	0.0881495%	0.0938767%	0.0941238%
Employer's proportionate share of the net pension liability	\$ 998,972	\$ 1,303,632	\$ 1,385,559	\$ 1,890,630	\$ 1,227,063
Employer's covered-employee payroll	\$ 2,991,624	\$ 2,753,812	\$ 2,754,510	\$ 2,619,948	\$ 2,651,290
Employer's proportional share of the net pension liability as a percentage of its covered-employee payroll	33.39%	47.34%	50.30%	72.16%	46.28%
Plan fiduciary net position as a percentage of the total pension liability	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		0.0798056%	0.0816687%	0.0805052%	0.0829766%
Employer's proportionate share of the net pension liability (Asset)	\$	\$ 3,184,780	\$ 3,216,734	\$ (63,581)	\$ 1,926,826
Employer's covered-employee payroll	\$	\$ 3,393,266	\$ 3,389,728	\$ 3,004,347	\$ 3,096,528
Employer's proportional share of the net pension liability (Asset) as a percentage of its covered-employee payroll		93.86%	94.90%	-2.12%	62.23%
Plan fiduciary net position as a percentage of the total pension liability		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	\$ 340,876	\$ 313,724	\$ 313,776	\$ 298,283	\$ 301,861
Contributions in relation to the statutorily required contribution	\$ (340,876)	\$ (313,724)	\$ (313,776)	\$ (298,283)	\$ (301,861)
Contribution (deficiency) excess	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Employer's covered-employee payroll	\$ 2,991,624	\$ 2,753,812	\$ 2,754,510	\$ 2,619,948	\$ 2,651,290
Contributions as a percentage of covered-employee payroll	11.39%	11.39%	11.39%	11.39%	11.39%
		<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Statutorily required contributions	\$	\$ 405,805	\$ 399,804	\$ 358,719	\$ 352,791
Contributions in relation to the statutorily required contribution	\$	\$ (405,805)	\$ (399,804)	\$ (358,719)	\$ (352,791)
Contribution (deficiency) excess	\$	\$ 0	\$ 0	\$ 0	\$ 0
Employer's covered-employee payroll	\$	\$ 3,393,266	\$ 3,389,728	\$ 3,004,347	\$ 3,096,528
Contributions as a percentage of covered-employee payroll		11.96%	11.79%	11.94%	11.39%

**OTHER
SUPPLEMENTARY INFORMATION**

CITY OF RUPERT, IDAHO
Note and Bond-Future Principal and Interest Requirements
at September 30, 2023

Annual Payment			
Date	Interest Payment	Principal Payment	Balance
Revenue Bond:			
Water Revenue Refunding Bonds, Series 2021			
\$ 645,000 June 2021			
			\$ 585,000
3/15/2024	14,549		585,000
9/15/2024	14,549	60,000	525,000
3/15/2025	13,049		525,000
9/15/2025	13,050	65,000	460,000
3/15/2026	11,424		460,000
9/15/2026	11,424	65,000	395,000
3/15/2027	9,799		395,000
9/15/2027	9,800	70,000	325,000
3/15/2028	8,049		325,000
9/15/2028	8,049	75,000	250,000
3/15/2029	6,174		250,000
9/15/2029	6,175	80,000	170,000
3/15/2030	4,174		170,000
9/15/2030	4,174	80,000	90,000
3/15/2031	2,174		90,000
9/15/2031	2,175	85,000	5,000
3/15/2032	49		5,000
9/15/2032	50	5,000	0
	\$ 138,887	\$ 585,000	

The accompanying notes are a part of these financial statements.

CITY OF RUPERT, IDAHO
Note and Bond-Future Principal and Interest Requirements
at September 30, 2023

Annual Payment			
Date	Interest Payment	Principal Payment	Balance
Revenue Bond:			
Wastewater Revenue Refunding			
Bonds Series 2021			
\$ 6,200,000 issued June 2021			
1.97% - 5.00%			
			\$ 5,730,000
3/15/2024	119,371		5,730,000
9/15/2024	119,371	490,000	5,240,000
3/15/2025	107,121		5,240,000
9/15/2025	107,121	515,000	4,725,000
3/15/2026	94,246		4,725,000
9/15/2026	94,246	540,000	4,185,000
3/15/2027	80,746		4,185,000
9/15/2027	80,746	565,000	3,620,000
3/15/2028	66,621		3,620,000
9/15/2028	66,621	590,000	3,030,000
3/15/2029	51,871		3,030,000
9/15/2029	51,871	575,000	2,455,000
3/15/2030	37,496		2,455,000
9/15/2030	37,496	380,000	2,075,000
3/15/2031	27,996		2,075,000
9/15/2031	27,996	395,000	1,680,000
3/15/2032	18,121		1,680,000
9/15/2032	18,121	340,000	1,340,000
3/15/2033	14,772		1,340,000
9/15/2033	14,772	340,000	1,000,000
3/15/2034	11,236		1,000,000
9/15/2034	11,236	350,000	650,000
3/15/2035	7,438		650,000
9/15/2035	7,439	355,000	295,000
3/15/2036	3,391		295,000
9/15/2036	3,392	285,000	10,000
	\$ 1,280,854	\$ 5,720,000	

The accompanying notes are a part of these financial statements.

CITY OF RUPERT, IDAHO
Note and Bond-Future Principal and Interest Requirements
at September 30, 2023

Annual Payment			
<u>Date</u>	<u>Interest Payment</u>	<u>Principal Payment</u>	<u>Balance</u>
Revenue Bond:			
Wastewater Parity Lien Revenue Bond 2012			
\$ 3,452,000 September 17, 2012			
2.125%			
			\$ 2,429,784
9/17/2024	51,633	105,192	2,324,592
9/17/2025	49,398	107,427	2,217,165
9/17/2026	47,115	109,710	2,107,455
9/17/2027	44,783	112,042	1,995,413
9/17/2028	42,402	114,423	1,880,990
9/17/2029	39,971	116,854	1,764,136
9/17/2030	37,488	119,337	1,644,799
9/17/2031	34,952	121,873	1,522,926
9/17/2032	32,362	124,463	1,398,463
9/17/2033	29,717	127,108	1,271,355
9/17/2034	27,016	129,809	1,141,546
9/17/2035	24,258	132,567	1,008,979
9/17/2036	21,441	135,384	873,595
9/17/2037	18,564	138,261	735,334
9/17/2038	15,626	141,199	594,135
9/17/2039	12,625	144,200	449,935
9/17/2040	9,561	147,264	302,671
9/17/2041	6,432	150,393	152,278
9/17/2042	3,236	152,278	0
	\$ 548,580	\$ 2,429,784	

The accompanying notes are a part of these financial statements.

CITY OF RUPERT, IDAHO
Note and Bond-Future Principal and Interest Requirements
at September 30, 2023

Annual Payment			
Date	Interest Payment	Principal Payment	Balance
General Obligation Revenue Bond:			
Revenue Bonds, Series 2018A			
\$ 3,950,000 March 21, 2018			
5.000% - 3.625%			
			\$ 3,625,000
9/15/2024	139,156	90,000	3,535,000
9/15/2025	136,456	95,000	3,440,000
9/15/2026	131,707	100,000	3,340,000
9/15/2027	126,706	105,000	3,235,000
9/15/2028	121,456	110,000	3,125,000
9/15/2029	115,957	115,000	3,010,000
9/15/2030	110,206	120,000	2,890,000
9/15/2031	104,207	125,000	2,765,000
9/15/2032	97,956	130,000	2,635,000
9/15/2033	92,756	135,000	2,500,000
9/15/2034	87,357	145,000	2,355,000
9/15/2035	82,462	145,000	2,210,000
9/15/2036	77,569	150,000	2,060,000
9/15/2037	72,506	155,000	1,905,000
9/15/2038	67,275	160,000	1,745,000
9/15/2039	61,875	170,000	1,575,000
9/15/2040	55,925	175,000	1,400,000
9/15/2041	49,800	180,000	1,220,000
9/15/2042	43,500	185,000	1,035,000
9/15/2043	37,025	195,000	840,000
9/14/2044	30,200	200,000	640,000
9/14/2045	23,200	205,000	435,000
9/14/2046	15,769	215,000	220,000
9/14/2047	7,975	220,000	0
	<u>\$ 1,889,001</u>	<u>\$ 3,625,000</u>	

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 21, 2023

To the City Council
City of Rupert, 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 Rupert, 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 Rupert, Idaho's basic financial statements, and have issued our report thereon dated December 21, 2023.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Rupert, 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