

CITY OF KAMIAH, IDAHO

Report on Audited
Basic
Financial Statements
and
Supplemental Information

For the Year Ended September 30, 2023

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Independent Auditor's Report

Honorable Mayor
and City Council
City of Kamiah, Idaho

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of City of Kamiah, Idaho (the City), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Summary of Opinions

<i>Opinion Unit</i>	<i>Type of Opinion</i>
Governmental Activities	Qualified
Business-Type Activities	Qualified
General Fund	Unmodified
Streets Fund	Unmodified
Parks & Pool Fund	Unmodified
Ambulance Fund	Qualified
Water Fund	Qualified
Sewer Fund	Qualified
Sanitation Fund	Qualified

Unmodified Opinions on the Major Funds

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the General Fund, Streets Fund, and Parks & Pool Fund of the City of Kamiah, 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.

Qualified Opinions on the Governmental Activities, Business-Type Activities, and Major Funds

In our opinion, except for the effects, if any, of the matter described in the Basis for Qualified Opinions on Governmental Activities, Business-Type Activities, the Major Funds, the accompanying financial statements present fairly, in all material respects, the respective financial position of the Governmental Activities, Business-Type Activities, the Ambulance Fund, Water Fund, Sewer Fund, and Sanitation Fund of the City of Kamiah, Idaho, as of September 30, 2023, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City 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.

Basis for Qualified Opinions on Governmental Activities, Business-Type Activities, and Major Funds

Management has not able to provide sufficient evidence to support the compensated absence balances in the governmental activities, business-type activities, the Ambulance Fund, Water Fund, Sewer Fund, and Sanitation Fund and, accordingly, has not recorded a liability for the compensated absences. Accounting principles generally accepted in the United States of America require that a liability for compensated absences be recorded, which would increase liabilities and decrease net position and change the expenses in the governmental activities, business type activities, the Ambulance Fund, Water Fund, Sewer Fund, and Sanitation Fund. The amount by which this departure would affect the liabilities, net position and expenditures of the governmental activities, business type activities, the Ambulance Fund, Water Fund, Sewer Fund, and Sanitation Fund has not been determined.

Responsibilities of Management for the Financial Statements

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

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 Kamiah, Idaho's ability to continue as a going concern for one year after the date that the financial statements are issued

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government 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 judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government 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'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's ability to continue as a going concern for a reasonable period of time.

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

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, schedule of the City's proportionate share of the net pension liability, and schedule of City contributions on pages 33 through 37 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has not presented management's discussion and analysis that governmental accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 9, 2025 on our consideration of the City of Kamiah, 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Kamiah, Idaho's internal control over financial reporting and compliance.

Zwygart John & Associates, CPAs PLLC

Nampa, Idaho
July 9, 2025

City of Kamiah, Idaho
Statement of Net Position
September 30, 2023

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Current Assets:			
Cash and Cash Equivalents	\$ 91,624	\$ -	\$ 91,624
Property Taxes Receivable, Net	19	(19)	-
Accounts Receivable, Net	22,504	-	22,504
Prepaid Items	3,409	191,989	195,398
Due from Other Governments	3,438	9,526	12,964
Due from Other Governments	38,694	-	38,694
Noncurrent Assets:			
Restricted Cash	-	209,856	209,856
Capital Assets:			
Land and Construction in Progress	1,277,742	117,748	1,395,490
Buildings, Net	112,909	442,287	555,196
Improvements, Net	101,393	5,104,792	5,206,185
Equipment, Net	25,836	253,220	279,056
Total Capital Assets	<u>1,517,880</u>	<u>5,918,047</u>	<u>7,435,927</u>
Total Assets	<u>1,677,568</u>	<u>6,329,399</u>	<u>8,006,967</u>
Deferred Outflows			
Pension Related Items	<u>60,492</u>	<u>255,396</u>	<u>315,888</u>
Total Deferred Outflows	<u>60,492</u>	<u>255,396</u>	<u>315,888</u>
Liabilities			
Current Liabilities:			
Accounts Payable	9,091	25,641	34,732
Salaries and Benefits Payable	5,100	25,544	30,644
Accrued Interest Payable	-	22,899	22,899
Deferred Grant Revenue	14,531	-	14,531
Long-term Liabilities:			
Portion Due or Payable Within One Year:			
Compensated Absences	1,077	38,084	39,161
Current Portion of Bond	-	152,611	152,611
Municipal Lease	-	31,717	31,717
Portion Due or Payable After One Year:			
Bond Payable	-	2,454,161	2,454,161
Municipal Lease	-	33,025	33,025
Net Pension Liability	<u>158,802</u>	<u>670,463</u>	<u>829,265</u>
Total Liabilities	<u>188,601</u>	<u>3,454,145</u>	<u>3,642,746</u>
Deferred Inflows			
Total Deferred Inflows	<u>-</u>	<u>-</u>	<u>-</u>
Net Position			
Invested in Capital Assets, Net of Related Debt	1,517,880	3,311,275	4,829,155
Restricted for:			
Debt Reserve	-	209,856	209,856
Streets	231,313		
Unrestricted (Deficit) Surplus	<u>(199,734)</u>	<u>(390,481)</u>	<u>(590,215)</u>
Total Net Position	<u>\$ 1,549,459</u>	<u>\$ 3,130,650</u>	<u>\$ 4,448,796</u>

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

City of Kamiah, Idaho
Statement of Activities
For the Year Ended September 30, 2023

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for	Operating	Capital	Primary Government		
		Services and Sales	Grants and Contributions	Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary Government:							
Governmental Activities:							
General Government	\$ 710,352	\$ 9,718	\$ -	\$ -	\$ (700,634)	\$ -	\$ (700,634)
Streets	119,434	-	-	-	(119,434)	-	(119,434)
Parks & Pool	54,599	130,379	-	-	75,780	-	75,780
Total Governmental Activities	884,385	140,097	-	-	(744,288)	-	(744,288)
Business-type Activities:							
Ambulance	964,551	-	-	-	-	(964,551)	(964,551)
Water	784,395	-	-	-	-	(784,395)	(784,395)
Sewer	552,160	-	-	-	-	(552,160)	(552,160)
Sanitation	201,740	-	-	-	-	(201,740)	(201,740)
Total Business-type Activities	2,502,846	-	-	-	-	(2,502,846)	(2,502,846)
Total Primary Government	\$ 3,387,231	\$ 140,097	\$ -	\$ -	(744,288)	(2,502,846)	(3,247,134)
General Revenues:							
Property Taxes					245,763	-	245,763
State Sources					224,534	-	224,534
Grants and Other Revenue					388,421	37,227	425,648
Unrestricted Investment Earnings					7,689	1,538	9,227
Disposal of Capital Assets					63,435	1,491,788	1,555,223
Total General Revenues and Special Items					929,842	1,530,553	2,460,395
Change in Net Position					185,554	(972,293)	(786,739)
Net Position, Beginning of Year					1,363,905	4,102,943	5,466,848
Net Position, End of Year					<u>\$ 1,549,459</u>	<u>\$ 3,130,650</u>	<u>\$ 4,680,109</u>

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

City of Kamiah, Idaho
Balance Sheet - Governmental Funds
September 30, 2023

	General	Streets	Parks & Pool	Total
Assets				
Cash and Cash Equivalents	\$ -	\$ 91,624	\$ -	\$ 91,624
Internal Balance	-	154,050	-	154,050
Receivables, Net:				
Property Tax	19,306	2,135	1,063	22,504
Accounts	-	3,409	-	3,409
Due from Other Governments	38,694	-	-	38,694
Prepaid Items	292	2,728	418	3,438
Total Assets	<u>\$ 58,292</u>	<u>\$ 253,946</u>	<u>\$ 1,481</u>	<u>\$ 313,719</u>
Liabilities				
Accounts Payable	\$ 3,849	\$ 3,142	\$ 2,100	\$ 9,091
Internal Balances	55,857	-	98,174	154,031
Salaries and Benefits Payable	4,556	282	262	5,100
Deferred Grant Revenue	-	14,531	-	14,531
Total Liabilities	<u>64,262</u>	<u>17,955</u>	<u>100,536</u>	<u>168,222</u>
Deferred Inflows				
Deferred Revenue - Property Taxes	<u>18,782</u>	<u>1,950</u>	<u>970</u>	<u>21,702</u>
Fund Balances				
Nonspendable:				
Prepays	292	2,728	418	3,438
Restricted	-	231,313	-	231,313
Unassigned	<u>(25,044)</u>	<u>-</u>	<u>(100,443)</u>	<u>(125,487)</u>
Total Fund Balances	<u>(24,752)</u>	<u>234,041</u>	<u>(100,025)</u>	<u>109,264</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 58,292</u>	<u>\$ 253,946</u>	<u>\$ 1,481</u>	<u>\$ 299,188</u>

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

City of Kamiah, Idaho
Reconciliation of the Balance Sheet of the Governmental
Funds to the Statement of Net Position
September 30, 2023

Total Fund Balances - Governmental Funds	\$	109,264
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Amounts reported for governmental activities in the Statement of Net Position are different because of the following:

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

Land and Construction in Progress	\$ 1,277,742	
Buildings, Net of \$387,470 Accumulated Depreciation	112,909	
Improvements, Net of \$3,223,576 Accumulated Depreciation	101,393	
Equipment, Net of \$822,384 Accumulated Depreciation	<u>25,836</u>	
Total Capital Assets		1,517,880

Property taxes receivable will be collected this year, but are not available soon enough to pay for current period's expenditures and, therefore, are deferred in the funds.		21,702
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Long-term liabilities, including compensated absences, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year end consist of:

Compensated Absences	<u>\$ (1,077)</u>	(1,077)
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The City participates in the Public Employer Retirement System of Idaho, which is a cost-sharing plan. As a participant they are required to report their share of the Net Pension Liability and the related deferred inflows and outflows on their Statement of Net Position.

Net Pension Liability	\$ (158,802)	
Pension Related Deferred Outflows	<u>60,492</u>	
		(98,310)
Net Position of Governmental Activities		<u><u>\$ 1,549,459</u></u>

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

City of Kamiah, Idaho
Statement of Revenues, Expenditures, and
Changes in Fund Balance -
Governmental Funds
For the Year Ended September 30, 2023

	General	Streets	Parks & Pool	Total
Revenues				
Property Taxes	\$ 210,621	\$ 21,900	\$ 9,724	\$ 242,245
Licenses and Permits	9,718	-	-	9,718
Intergovernmental	195,406	29,128	-	224,534
Charges for Services	-	-	130,379	130,379
Interest Earned	1,538	1,538	4,613	7,689
Grants and Other Revenue	151,396	235,810	1,215	388,421
Total Revenues	<u>568,679</u>	<u>288,376</u>	<u>145,931</u>	<u>1,002,986</u>
Expenditures				
Current:				
Administrative	53,167	-	-	53,167
Airport	-	354,903	-	354,903
Animal Control	95,584	-	-	95,584
Clinic	470,289	-	-	470,289
Fire Department	7,187	-	-	7,187
Parks & Recreation	-	-	255,949	255,949
Senior Center	-	-	2,389	2,389
Total Expenditures	<u>626,227</u>	<u>354,903</u>	<u>258,338</u>	<u>1,239,468</u>
Excess (Deficiency) of Revenues Over Expenditures)	<u>(57,548)</u>	<u>(66,527)</u>	<u>(112,407)</u>	<u>(236,482)</u>
Other Financing Sources (Uses)				
Proceeds from Lease	28,664	30,716	4,055	63,435
Total Other Financing Sources (Uses)	<u>28,664</u>	<u>30,716</u>	<u>4,055</u>	<u>63,435</u>
Net Change in Fund Balances	(28,884)	(35,811)	(108,352)	(173,047)
Fund Balances - Beginning	4,132	269,852	8,327	282,311
Fund Balances - Ending	<u>\$ (24,752)</u>	<u>\$ 234,041</u>	<u>\$ (100,025)</u>	<u>\$ 109,264</u>

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

City of Kamiah, Idaho
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balance of the Governmental
Funds to the Statement of Activities
For the Year Ended September 30, 2023

Total Net Change in Fund Balance - Governmental Funds	\$ (173,047)
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Amounts reported for governmental activities in the Statement of Activities are different because of the following:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their useful lives as depreciation expense. In the current period these amounts are:

Capital Outlay	\$ 439,208	
Depreciation Expense	<u>(46,636)</u>	
Net		392,572

Because some property taxes will not be collected for several months after the City's fiscal year ends, they are not considered as "available" revenues in the governmental funds and are, instead, counted as deferred tax revenues. They are, however, recorded as revenues in the Statement of Activities.	3,518
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The City participates in the Public Employer Retirement System of Idaho, which is a cost-sharing plan. As a participant they are required to report their share of the Net Pension Liability and the related deferred inflows and outflows on their Statement of net Position. The changes in the Net Pension Liability and the related deferred inflows and outflows does not affect the governmental funds, but are reported in the Statement of Activities.	<u>(37,489)</u>
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Change in Net Position of Governmental Activities	<u><u>\$ 185,554</u></u>
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The accompanying notes are an integral
part of the financial statements.

City of Kamiah, Idaho
Statement of Net Position -
Proprietary Funds
September 30, 2023

	Ambulance	Water	Sewer	Sanitation	Total
Assets					
Current Assets:					
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Internal Balances	-	607,890	235,223	9,006	852,119
Accounts Receivable, Net	81,195	52,325	40,837	17,632	191,989
Prepaid Items	-	8,189	1,337	-	9,526
Total Current Assets	<u>81,195</u>	<u>668,404</u>	<u>277,397</u>	<u>26,638</u>	<u>1,053,634</u>
Noncurrent Assets:					
Restricted Cash	-	-	209,856	-	209,856
Capital Assets:					
Land and Construction in Progress	8,000	27,654	82,094	-	117,748
Buildings, Net	155,570	47,044	239,673	-	442,287
Improvements, Net	-	4,361,586	743,206	-	5,104,792
Equipment, Net	185,165	20,641	47,414	-	253,220
Total Noncurrent Assets	<u>348,735</u>	<u>4,456,925</u>	<u>1,322,243</u>	<u>-</u>	<u>6,127,903</u>
Total Assets	<u>429,930</u>	<u>5,125,329</u>	<u>1,599,640</u>	<u>26,638</u>	<u>7,181,537</u>
Deferred Outflows					
Pension Related Items	127,805	71,202	56,389	-	255,396
Total Deferred Outflows	<u>127,805</u>	<u>71,202</u>	<u>56,389</u>	<u>-</u>	<u>255,396</u>
Liabilities					
Current Liabilities:					
Internal Balances	852,138	-	-	-	852,138
Accounts Payable	4,149	3,488	3,200	14,804	25,641
Salaries and Benefits Payable	14,417	4,473	6,654	-	25,544
Compensated Absences	-	19,042	19,042	-	38,084
Accrued Interest Payable	-	19,069	3,830	-	22,899
Current Portion of Bond	-	63,571	89,040	-	152,611
Municipal Lease	31,717	-	-	-	31,717
Total Current Liabilities	<u>902,421</u>	<u>109,643</u>	<u>121,766</u>	<u>14,804</u>	<u>1,148,634</u>
Noncurrent Liabilities:					
Bonds, Notes, and Loans Payable	-	1,461,932	992,229	-	2,454,161
Municipal Lease	33,025	-	-	-	33,025
Net Pension Liability	335,513	186,919	148,031	-	670,463
Total Noncurrent Liabilities	<u>368,538</u>	<u>1,648,851</u>	<u>1,140,260</u>	<u>-</u>	<u>3,157,649</u>
Total Liabilities	<u>1,270,959</u>	<u>1,758,494</u>	<u>1,262,026</u>	<u>14,804</u>	<u>4,306,283</u>
Deferred Inflows					
Total Deferred Inflows	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Position					
Invested in Capital Assets,					
Net of Related Debt	283,993	2,931,422	31,118	-	3,246,533
Restricted - Debt Reserve	-	-	209,856	-	209,856
Unrestricted	(997,217)	506,615	153,029	11,834	(325,739)
Total Net Position	<u>\$ (713,224)</u>	<u>\$ 3,438,037</u>	<u>\$ 394,003</u>	<u>\$ 11,834</u>	<u>\$ 3,130,650</u>

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

City of Kamiah, Idaho
Statement of Revenues, Expenses, and
Changes in Net Position -
Proprietary Funds
For the Year Ended September 30, 2023

	Ambulance	Water	Sewer	Sanitation	Total
Operating Revenues					
Charges for Services	\$ 316,739	\$ 541,194	\$ 436,175	\$ 197,680	\$ 1,491,788
Other Revenues	22,088	12,011	3,128	-	37,227
Total Operating Revenues	<u>338,827</u>	<u>553,205</u>	<u>439,303</u>	<u>197,680</u>	<u>1,529,015</u>
Operating Expenses					
Wages and Benefits	-	305,669	279,746	-	585,415
Utilities	-	61,357	56,632	-	117,989
Cost of Services	902,487	144,339	69,428	201,740	1,317,994
Administration	500	30,569	29,728	-	60,797
Depreciation	61,564	219,025	82,261	-	362,850
Total Operating Expenses	<u>964,551</u>	<u>760,959</u>	<u>517,795</u>	<u>201,740</u>	<u>2,445,045</u>
Income (Loss) From Operations	<u>(625,724)</u>	<u>(207,754)</u>	<u>(78,492)</u>	<u>(4,060)</u>	<u>(916,030)</u>
Nonoperating Revenues (Expenses)					
Interest Earned	1,538	6,150	15,381	-	23,069
Interest Expense	-	(29,586)	(49,746)	-	(79,332)
Total Nonoperating Revenues (Expenses)	<u>1,538</u>	<u>(23,436)</u>	<u>(34,365)</u>	<u>-</u>	<u>(56,263)</u>
Change in Net Position	<u>(624,186)</u>	<u>(231,190)</u>	<u>(112,857)</u>	<u>(4,060)</u>	<u>(972,293)</u>
Total Net Position - Beginning	<u>(89,038)</u>	<u>3,669,227</u>	<u>506,860</u>	<u>15,894</u>	<u>4,102,943</u>
Total Net Position - Ending	<u><u>\$ (713,224)</u></u>	<u><u>\$ 3,438,037</u></u>	<u><u>\$ 394,003</u></u>	<u><u>\$ 11,834</u></u>	<u><u>\$ 3,130,650</u></u>

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

City of Kamiah, Idaho
Statement of Cash Flows -
Proprietary Funds
For the Year Ended September 30, 2023

	Ambulance	Water	Sewer	Sanitation	Total
Cash Flows From Operating Activities					
Receipts from Customers	\$ 402,798	\$ 550,580	\$ 432,611	\$ 196,279	\$ 1,582,268
Payments to Suppliers	(898,338)	(210,397)	(124,198)	(200,626)	(1,433,559)
Payments to Employees	90,846	(272,969)	(251,614)	-	(433,737)
Net Cash Provided (Used) by Operating Activities	(404,694)	67,214	56,799	(4,347)	(285,028)
Cash Flows From Noncapital Financing Activities					
Net Cash Provided (Used) by Noncapital Financing Activities	-	-	-	-	-
Cash Flows From Capital and Related Financing Activities					
Purchases and Construction of Capital Assets	-	(15,236)	(14,174)	-	(29,410)
Principal Paid on Capital Debt	(30,460)	(62,401)	(85,410)	-	(178,271)
Interest Paid on Capital Debt	-	(29,768)	(49,584)	-	(79,352)
Net Cash Used by Capital and Related Financing Activities	(30,460)	(107,405)	(149,168)	-	(287,033)
Cash Flows From Investing Activities					
Interest and Dividends	1,538	6,150	15,381	-	23,069
Net Cash Provided (Used) by Investing Activities	1,538	6,150	15,381	-	23,069
Net Increase (Decrease) in Cash and Cash Equivalents	(433,616)	(34,040)	(76,989)	(4,348)	(548,993)
Cash and Cash Equivalents - Beginning	(418,522)	641,930	522,068	13,354	758,830
Cash and Cash Equivalents - Ending	<u>\$ (852,138)</u>	<u>\$ 607,890</u>	<u>\$ 445,079</u>	<u>\$ 9,006</u>	<u>\$ 209,837</u>
Displayed As:					
Cash	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted Cash	-	-	209,856	-	209,856
Internal Balances	(852,138)	607,890	235,223	9,006	(19)
	<u>\$ (852,138)</u>	<u>\$ 607,890</u>	<u>\$ 445,079</u>	<u>\$ 9,006</u>	<u>\$ 209,837</u>

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

City of Kamiah, Idaho
Statement of Cash Flows -
Proprietary Funds (continued)
For the Year Ended September 30, 2023

	<u>Ambulance</u>	<u>Water</u>	<u>Sewer</u>	<u>Sanitation</u>	<u>Total</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Operating Income (Loss)	\$ (625,724)	\$ (207,754)	\$ (78,492)	\$ (4,060)	\$ (916,030)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:					
Depreciation	61,564	219,025	82,261	-	362,850
(Increase) Decrease in Accounts Receivable	63,971	(2,625)	(6,692)	(1,401)	53,253
(Increase) Decrease in Interfund Receivable	-	-	-	-	-
(Increase) Decrease in Prepaid Expenses	-	(8,189)	(1,337)	-	(9,526)
(Increase) Decrease in Deferred Outflows	21,866	12,182	9,647	-	43,695
Increase (Decrease) in Accounts Payable	4,149	3,488	3,199	1,114	11,950
Increase (Decrease) in Salaries & Benefits Payable	14,417	4,473	6,654	-	25,544
Increase (Decrease) in Compensated Absences	-	15,938	17,268	-	33,206
Increase (Decrease) in Net Pension Liability	56,301	31,373	24,849	-	112,523
Increase (Decrease) in Deferred Inflows	(1,238)	(697)	(558)	-	(2,493)
Net Cash Provided (Used) by Operating Activities	<u>\$ (404,694)</u>	<u>\$ 67,214</u>	<u>\$ 56,799</u>	<u>\$ (4,347)</u>	<u>\$ (285,028)</u>

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

City of Kamiah, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

For financial reporting purposes, management has considered all potential component units which are controlled or whose boards are appointed by the City Council. Control by the City was determined on the basis of budget adoption, the selection of management, ability to significantly influence operations, accountability for fiscal matters, and other factors. Based on these criteria, there were no component units included in the City's report.

B. Basis of Presentation, Basis of Accounting

Basis of Presentation

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

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

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

City of Kamiah, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2023

- Program revenues include (a) 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 and state formula aid, 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. Any remaining governmental and enterprise funds would be aggregated and reported as nonmajor funds.

The City reports the following major governmental funds:

- *General fund.* This is the City's primary operating fund. It accounts for all financial resources of the City, except those required to be accounted for in another fund.
- *Streets.* This fund is for funds received to maintain the roads within the City, and the related expenses.
- *Parks & Pool.* This fund is used for the maintenance and repair of the park and pool.

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

The City reports the following major enterprise funds:

- *Water fund.* This fund accounts for the activities of the City's water supply system, pumping stations, and collection systems.
- *Sewer fund.* This fund accounts for the operations and collections of the City's sewer system.
- *Sanitation fund.* This fund accounts for the City's solid waste management services.
- *Ambulance Fund.* This fund accounts for the City's emergency medical services.

Basis of Accounting

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

City of Kamiah, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2023

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

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

Fund Balance Reporting in Governmental Funds

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

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

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

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

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

City of Kamiah, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2023

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

C. Assets and Liabilities

Cash Equivalents

The City's cash and cash equivalents are generally considered short-term, highly liquid investments with a maturity of three months or less from the purchase date. Idaho Code authorizes the City to invest any available funds in obligations issued or guaranteed by the United States Treasury, the State of Idaho, local Idaho municipalities and taxing districts, the Farm Credit System, or Idaho public corporations, as well as time deposit accounts and repurchase agreements. The City is a voluntary participant in the State of Idaho Local Government Investment Pool (LGIP). See Note 2.

Investments are stated at fair value as determined by the fair value hierarchy, except certificates of deposit (which are carried at amortized cost).

Receivables

All trade receivables are shown net of an allowance for doubtful accounts. See Note 8.

Property Tax Calendar

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

Use of Estimates

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

Compensated Absences

The City uses the vesting method to compute compensated absences awarded to employees.

City of Kamiah, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2023

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.

Capital Assets

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

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

	Capitalization <u>Policy</u>	Depreciation <u>Method</u>	Estimated <u>Useful Life</u>
Buildings and Improvements	\$5,000	Straight-Line	10 – 50 Years
Equipment and Vehicles	\$5,000	Straight-Line	3 – 30 Years

General infrastructure assets acquired prior to October 2003, are not reported in the basic financial statements. General infrastructure assets include all roads and bridges and other infrastructure assets acquired subsequent to October 1, 2003.

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

2. CASH AND INVESTMENTS

Deposits

As of September 30, 2023, the carrying amount of the City's deposits was (\$55,845) and the respective bank balances totaled \$185,897. All of the bank balance was insured through the Federal Depository Insurance Corporation (FDIC).

City of Kamiah, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2023

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned. As of September 30, 2023, all of the City's deposits were covered by the federal depository insurance or by collateral held by the City's agent or pledging financial institution's trust department or agent in the name of the City. The City also had \$400 of petty cash on hand. The City does not have a formal policy limiting its exposure to custodial credit risk.

Custodial Credit Risk – Investments

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

Interest Rate Risk

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

Investments

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

It is the City's policy to limit investments to the safest types of securities and to diversify the City's investment portfolio so that potential losses on securities will be minimized. The City follows Idaho Statute that outlines qualifying investment options as follows:

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

The City's investments at September 30, 2023, are summarized below:

Investment Type	Fair Value	Maturity (In Years)
		Less Than 1
External Investment Pool	\$ 356,925	\$ 356,925
	<u>\$ 356,925</u>	<u>\$ 356,925</u>

City of Kamiah, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2023

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

	Governmental Activities	Business-type Activities	Total
Cash and cash equivalents	\$ (205,602)	\$ 150,157	\$ (55,445)
Restricted	-	209,856	209,856
Investments categorized as deposits	297,245	(150,176)	147,069
	<u>\$ 91,643</u>	<u>\$ 209,837</u>	<u>\$ 301,480</u>

The City has set aside \$209,856 in accordance with debt restrictions.

3. DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units consist of state revenue sharing of \$38,694 due from the State of Idaho.

4. PROPERTY TAXES

The City receives tax revenue from Canyon County. The County is responsible for property valuation and collection of tax levies. The taxes that have not been remitted to the City by the County as of September 30, 2023, are considered by the City as a receivable. Taxes not collected within 60 days after September 30, 2023, are not considered available for use by the City and are recorded as deferred revenue in the fund financial statements.

5. PENSION PLAN

Plan Description

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

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

City of Kamiah, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2023

Pension Benefits

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

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

Member and Employer Contributions

Member and employer contributions paid to the Base Plan are set by statute and are established as a percent of covered compensation and earnings from investments. 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 public safety. As of June 30, 2023, it was 7.16% for general employees and 9.13% for public safety. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.94% for general employees and 12.28% for police and firefighters. The City of Kamiah, Idaho's contributions were \$89,315 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 of Kamiah, Idaho 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 of Kamiah, Idaho's proportion of the net pension liability (asset) was based on the City of Kamiah, Idaho's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At September 30, 2023, the City of Kamiah, Idaho's proportion was 0.0207801 percent.

City of Kamiah, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2023

For the year ended September 30, 2023, the City of Kamiah recognized pension expense/(revenue) of \$284,946 . September 30, 2023, the City of Kamiah, Idaho reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 142,142	\$ -
Changes in assumptions or other inputs	82,115	-
Net difference between projected and actual earnings on pension plan investments	77,839	-
City of Nezperce, Idaho's contributions subsequent to the measurement date	13,791	-
Total	\$ 315,888	\$ -

\$13,791 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, 2023.

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:

For the Year Ended September 30:	PERSI
2024	\$ 121,223
2025	50,485
2026	157,052
2027	(12,873)

City of Kamiah, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2023

Actuarial Assumptions

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

The total pension liability (asset) 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%

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

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

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

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

Disabled Members – Males Pub-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 (Asset) 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.

City of Kamiah, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2023

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.

Asset Class	
Fixed Income	30.00%
US/Global Equity	55.00%
International Equity	15.00%
Cash	0.00%
Total	100.00%

Discount Rate

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

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

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

City of Kamiah, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2023

	1% Decrease (5.35%)	Current Discount Rate (6.35%)	1% Increase (7.35%)
Employer's proportionate share of the net pension liability (asset)	\$ 1,491,466	\$ 829,265	\$ 288,039

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.

6. RISK MANAGEMENT

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

7. ACCOUNTS RECEIVABLE

Accounts receivable is made of the following amounts:

	Street Fund	EMS Fund	Water Fund	Sewer Fund	Sanitation Fund	Total
Other Accounts	\$ 3,409	\$ 135,325	\$ -	\$ -	\$ -	\$ 138,734
Utilities	-	-	52,325	40,837	17,632	110,794
	3,409	135,325	52,325	40,837	17,632	249,528
Less: Allowance	-	(54,130)	-	-	-	(54,130)
Net Accounts Receivable	<u>\$ 3,409</u>	<u>\$ 81,195</u>	<u>\$ 52,325</u>	<u>\$ 40,837</u>	<u>\$ 17,632</u>	<u>\$ 444,926</u>

City of Kamiah, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2023

8. CAPITAL ASSETS

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

	<u>9/30/22</u>	<u>Additions</u>	<u>Disposals</u>	<u>9/30/23</u>
<u>Governmental Activities:</u>				
Capital Assets Not Being Depreciated:				
Land	\$ 376,935	\$ -	\$ -	\$ 376,935
Construction in Progress	<u>461,599</u>	<u>439,208</u>	<u>-</u>	<u>900,807</u>
Total	<u>838,534</u>	<u>439,208</u>	<u>-</u>	<u>1,277,742</u>
Capital Assets Being Depreciated:				
Buildings	500,379	-	-	500,379
Improvements	3,324,969	-	-	3,324,969
Equipment	<u>848,220</u>	<u>-</u>	<u>-</u>	<u>848,220</u>
Total Historical Cost	<u>4,673,568</u>	<u>-</u>	<u>-</u>	<u>4,673,568</u>
Less: Accumulated Depreciation				
Buildings	383,132	4,338	-	387,470
Improvements	3,192,133	31,443	-	3,223,576
Equipment	<u>811,529</u>	<u>10,855</u>	<u>-</u>	<u>822,384</u>
Total Accumulated Depreciation	<u>4,386,794</u>	<u>46,636</u>	<u>-</u>	<u>4,433,430</u>
Net Depreciable Assets	<u>286,774</u>	<u>(46,636)</u>	<u>-</u>	<u>240,138</u>
Governmental Activities - Net	<u>\$ 1,125,308</u>	<u>\$ 392,572</u>	<u>\$ -</u>	<u>\$ 1,517,880</u>

City of Kamiah, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2023

	9/30/22	Additions	Disposals	9/30/23
<u>Business-type Activities:</u>				
Capital Assets Not Being Depreciated:				
Land	\$ 117,748	\$ -	\$ -	\$ 117,748
Total	<u>117,748</u>	<u>-</u>	<u>-</u>	<u>117,748</u>
Capital Assets Being Depreciated:				
Buildings	776,302	-	-	776,302
Improvements	9,317,057	-	-	9,317,057
Equipment	3,281,745	29,410	-	3,311,155
Total Historical Cost	<u>13,375,104</u>	<u>29,410</u>	<u>-</u>	<u>13,404,514</u>
Less: Accumulated Depreciation				
Buildings	318,739	15,276	-	334,015
Improvements	3,938,226	274,039	-	4,212,265
Equipment	2,984,400	73,535	-	3,057,935
Total Accumulated Depreciation	<u>7,241,365</u>	<u>362,850</u>	<u>-</u>	<u>7,604,215</u>
Net Depreciable Assets	<u>6,133,739</u>	<u>(333,440)</u>	<u>-</u>	<u>5,800,299</u>
Business-type Activities - Net	<u>\$ 6,251,487</u>	<u>\$ (333,440)</u>	<u>\$ -</u>	<u>\$ 5,918,047</u>

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

Governmental Activities:	
General	<u>\$ 46,636</u>
Business-type Activities	
Water	\$ 219,025
Sewer	22,670
Wastewater	59,591
Ambulance	61,564
	<u>\$ 362,850</u>

All assets that were constructed using the bond funds were completed in prior years, so no interest has been capitalized in the enterprise funds.

9. OTHER COMMITMENTS

The City has credit cards with a total credit limit of \$10,000. At September 30, 2023, \$5,232 of the available credit was in use.

City of Kamiah, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2023

10. LONG-TERM LIABILITIES

Government Activities – Water & Sewer Fund Bond Payable

In 2003, the City entered into a sewer revenue bond for capital improvements in the amount of \$2,265,000. Annual installments of \$134,994 are due with an interest rate of 4.25% through 2032/33, secured by future sewer revenue fees, paid through the sewer fund.

In 2013, the City entered into a water revenue bond for capital improvements in the amount of \$2,100,000. Annual installments of \$92,169 are due with an interest rate of 1.875% through 2042/43, secured by future water revenue fees, paid through the water fund.

Business-type Activities – Ambulance Fund Note Payable

In 2019, the City entered into a note agreement to pay for an ambulance in the amount of \$203,190. Annual installments are due in the amount of \$34,387 with an interest rate of 4.425% through 2025/26, secured by equipment, paid through the ambulance fund.

Changes in long-term obligations for the year ended September 30, 2023, are as follows:

Description	Maturity	Rate	Required Reserve	9/30/22	Increase	Decrease	9/30/23	Current Portion
USDA Water Revenue Bond - 91-04	2043	1.875%	\$ 92,169	\$ 1,587,904	\$ -	\$ (62,401)	\$ 1,525,503	\$ 63,571
USDA Sewer Revenue Bond - 92-03	2033	4.250%	134,994	1,166,679	-	(85,410)	1,081,269	89,040
Community First National Bank Loan - Ambulance	2026	4.425%	N/A	95,202	-	(30,460)	64,742	31,717
				<u>\$ 2,849,785</u>	<u>\$ -</u>	<u>\$ (178,271)</u>	<u>\$ 2,671,514</u>	<u>\$ 184,328</u>

City of Kamiah, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2023

Debt service requirements on long-term debt at September 30, 2023, are as follows:

Year Ending September 30,	Principal	Interest
2024	\$ 184,328	\$ 77,222
2025	190,612	70,938
2026	162,747	64,416
2027	168,097	59,066
2028	173,645	53,518
2029 - 2033	958,706	177,109
2034 - 2038	397,368	63,477
2039 - 2043	436,011	25,124
	<u>\$ 2,671,514</u>	<u>\$ 590,870</u>

Total interest incurred and expenses was and for the EMS and Sewer funds respectively. No interest was capitalized during the period.

As of September 30, 2023, the Water & Sewer reserve account was underfunded by \$17,307.

11. INTERNAL BALANCES

The General fund has an internal balance of \$55,857, and the Parks & Pool fund has an internal balance of \$98,174, representing cash overdrafts covered by the Street fund. The Ambulance fund has an internal balance of \$852,138, representing cash overdrafts covered by the Water, Sewer, Sanitation, and Street funds.

12. DEFICIT FUND BALANCES

The following funds had a deficit fund balance as of September 30, 2023, these amounts are to be repaid in the following year:

Fund	Deficit Fund Balance
General	\$ 24,752
Parks & Pool	100,025
Ambulance	713,224
	<u>\$838,001</u>

REQUIRED SUPPLEMENTARY INFORMATION

City of Kamiah, Idaho
 Budgetary (GAAP Basis) Comparison Schedule - General Fund
 For the Year Ended September 30, 2023

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues				
Property Tax	\$ 210,000	\$ 210,000	\$ 210,621	\$ 621
Charges for Services	9,400	9,400	28,664	19,264
Licenses and Permits	9,300	9,300	9,718	418
Intergovernmental	190,000	190,000	195,406	5,406
Earnings on Investments	1,500	1,500	1,538	38
Other Revenue	85,711	85,711	151,396	65,685
Total Revenues	<u>505,911</u>	<u>505,911</u>	<u>597,343</u>	<u>91,432</u>
Expenditures				
Administration	35,747	35,747	53,167	(17,420)
Wages, Taxes, and Retirement	67,427	67,427	95,584	(28,157)
Airport	15,611	15,611	7,187	8,424
Animal Control	387,126	387,126	470,289	(83,163)
Total Expenditures	<u>505,911</u>	<u>505,911</u>	<u>626,227</u>	<u>(120,316)</u>
Net Change in Fund Balances	-	-	(28,884)	(28,884)
Fund Balances - Beginning	-	-	4,132	4,132
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (24,752)</u>	<u>\$ (24,752)</u>

City of Kamiah, Idaho
 Budgetary (GAAP Basis) Comparison Schedule - Street Fund
 For the Year Ended September 30, 2023

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues				
Property Tax	\$ 23,000	\$ 23,000	\$ 21,900	\$ (1,100)
Intergovernmental	72,000	72,000	29,128	(42,872)
Charges for Services	30,500	30,500	30,716	216
Interest Earned	1,545	1,545	1,538	(7)
Grants and Other Revenue	82,111	82,111	235,810	153,699
Total Revenues	<u>209,156</u>	<u>209,156</u>	<u>319,092</u>	<u>109,936</u>
Expenditures				
Administration	171,334	171,334	354,903	(183,569)
Capital Outlay	37,822	37,822	-	37,822
Total Expenditures	<u>209,156</u>	<u>209,156</u>	<u>354,903</u>	<u>(145,747)</u>
Net Change in Fund Balances	-	-	(35,811)	(35,811)
Fund Balances - Beginning	-	-	269,852	269,852
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 234,041</u>	<u>\$ 234,041</u>

City of Kamiah, Idaho
 Budgetary (GAAP Basis) Comparison Schedule - Parks & Pool Fund
 For the Year Ended September 30, 2023

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues				
Property Tax	\$ 10,000	\$ 10,000	\$ 9,724	\$ (276)
Charges for Services	5,000	5,000	4,055	(945)
Grants and Donations	7,523	7,523	130,379	122,856
Earnings on Investments	5,000	5,000	4,613	(387)
Other Revenue	40,350	40,350	1,215	(39,135)
Total Revenues	<u>67,873</u>	<u>67,873</u>	<u>149,986</u>	<u>82,113</u>
Expenditures				
Administration	2,000	2,000	2,389	(389)
Parks & Recreation	89,110	89,110	255,949	(166,839)
Total Expenditures	<u>91,110</u>	<u>91,110</u>	<u>258,338</u>	<u>(167,228)</u>
Net Change in Fund Balances	(23,237)	(23,237)	(108,352)	(85,115)
Fund Balances - Beginning	23,237	23,237	8,327	(14,910)
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (100,025)</u>	<u>\$ (100,025)</u>

City of Kamiah, Idaho
Notes to Required Supplementary Information
For the Year Ended September 30, 2023

1. BUDGETS AND BUDGETARY ACCOUNTING

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

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

2. EXPENDITURES IN EXCESS OF APPROPRIATIONS

The General fund had expenditures in excess of appropriations for the year ended September 30, 2023 of \$120,316 .

The Street fund had expenditures in excess of appropriations for the year ended September 30, 2023 of \$145,747 .

The Parks & Pool fund had expenditures in excess of appropriations for the year ended September 30, 2023 of \$167,228

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

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

Year	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability/ (Asset)	City's Covered Employee Payroll	City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2023	0.0207801%	\$ 829,265	\$ 739,507	112.14%	83.83%
2022	0.0175206%	690,092	762,471	90.51%	83.09%
2021	0.0134006%	(10,584)	402,990	-2.63%	88.22%
2020	0.0073216%	170,017	253,760	67.00%	93.79%
2019	0.1117130%	127,518	342,344	37.25%	91.69%
2018	0.0152455%	224,874	474,143	47.43%	90.68%
2017	0.0148163%	232,887	402,668	57.84%	87.26%
2016	0.0143475%	290,846	437,580	66.47%	91.38%
2015	0.0131507%	173,174	376,749	45.97%	94.95%

Data reported is measured as of June 30, 2023

Schedule of City Contributions

Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	City's Covered- Employee Payroll	Contributions as a Percentage of Covered- Employee Payroll
2023	\$ 89,315	\$ 89,315	\$ -	\$ 739,507	12.08%
2022	91,039	91,039	-	762,471	11.94%
2021	48,117	48,117	-	402,990	11.94%
2020	30,299	30,299	-	253,760	11.94%
2019	39,263	39,263	-	342,344	11.47%
2018	53,673	53,673	-	474,143	11.32%
2017	45,582	45,582	-	402,668	11.32%
2016	49,534	49,534	-	437,580	11.32%
2015	42,648	42,648	-	376,749	11.32%

Data reported is measured as of September 30, 2023

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

FEDERAL REPORTS



ZWYGART JOHN

CERTIFIED PUBLIC ACCOUNTANTS

Zwygart John & Associates CPAs, PLLC

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Phone: 208-459-4649 ♦ FAX: 208-229-0404

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

Honorable Mayor
and City Council
City of Kamiah, 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 discretely presented component unit, each major fund, and the remaining fund information of the City of Kamiah, 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 Kamiah, Idaho's basic financial statements and have issued our report thereon dated July 9, 2025.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Kamiah, 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 Kamiah, Idaho's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Kamiah, 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 and therefore, material weaknesses may exist that have not been identified. During our audit we identified a deficiency in internal control, described in the accompanying Schedule of Findings and Responses as item 2023-001 that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Kamiah, 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 instances of noncompliance or other matters that are required to be reported under Government Auditing Standards, and which are described in the accompanying Schedule of Findings and Responses as item 2023-002.

City of Kamiah, Idaho's Response to Findings

The City of Kamiah, Idaho's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Responses. The City of Kamiah, Idaho's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Zwygart John & Associates, CPAs PLLC

Nampa, Idaho
July 9, 2025

City of Kamiah, Idaho
Schedule of Findings and Responses
For the Year Ended September 30, 2023

Finding 2023-001

Material Weakness in Internal Control over Financial Reporting—Lack of Financial Report Review

Criteria: The preparation and subsequent review of financial reports is an important control activity needed to adequately protect the entity's assets and ensure accurate financial reporting.

Condition: Presently, the bank accounts are not being reconciled, nor are they being reviewed by the Mayor or council.

Context: We observed the lack of bank reconciliations, and subsequent lack of review through interviews of personnel and management.

Effect or Potential Effect: Without accurate bank reconciliations and subsequent reviews, there is a significantly higher risk of errors and fraud occurring in relation to the cash reconciliation activities, including misappropriation of assets, that would not be detected within a timely basis.

Cause: The entity's limited size and lack of expertise have made it difficult for management to provide sufficient staffing to perform the monthly bank reconciliations, and subsequent review.

Recommendation: Management and the council should consider a formal evaluation of their risks associated with the lack of monthly bank reconciliations, and subsequent review of financial reports. In response to the identified risks, consideration should be given to identifying and implementing controls that could help mitigate the risks associated with a lack of appropriate financial reports, such as providing training to the clerk to perform monthly bank reconciliations and have them presented at each monthly council meeting.

Management's Response: Management will work to put controls in place to make sure that the bank reconciliations are being done monthly, and reviewed in each council meeting.

City of Kamiah, Idaho
Schedule of Findings and Responses (continued)
For the Year Ended September 30, 2023

Finding 2023-002

Audits not being done timely

Criteria: By Idaho State statute, audits must be completed within 90 months after year end.

Condition: The audit was not completed within 9 months of the month end.

Context: We observed that due to a change in personnel at the City, the audit was not completed within 9 months of the year end.

Effect or Potential Effect: This puts the City out of compliance with State statutes. This puts the City at risk of losing some State funding.

Cause: Due to personnel changes and bank reconciliations not being done timely, the City got behind on completing audits.

Recommendation: Management should make sure that audits are being completed within 9 months after year end.

Management's Response: Management will work to put controls in place to make sure that the bank reconciliations are being done monthly, and reviewed in each council meeting so that audits can be completed timely.