



Heart of the Upper Clearwater Valley

(208) 935-2672 • P.O. Box 338 • Kamiah, Idaho 83536

March 5, 2021

Tom Kealey, Director  
Idaho Department of Commerce  
700 W State Street  
PO Box 83720  
Boise, ID 87720

Re: City of Kamiah Bryan Drive Booster Station Upgrade

Dear Director Kealey:

The City of Kamiah extends its thanks to the Idaho Dept of Commerce and the Economic Advisory Council for their consideration to advance our ICDBG application to addendum stage. Attached is the Addendum Checklist and additional materials for your review.

We have made small revisions in the budget. We accounted for additional cash match through our grant development agreement with CEDA. We also slightly revised upward our grant request to \$280,000 and adjusted city match so the budget is rounded. Our match percentage is not impacted.

We are in excellent shape in all areas to meet our schedule for this shovel-ready project. The ICDBG grant request of \$280,000 is essential to keep the project affordable for our citizens, 72% of which are low-moderate income.

Again, thank you for the opportunity to present this addendum. We trust it will provide both due consideration and approval for funding our Idaho Community Development Block Grant request.

Sincerely,

Mayor Betty Heater  
Attachments

## Addendum Checklist – Public Facilities

Information and Documentation that is required to be submitted with the Addendum

if completed.

Answer the questions and/or provide documentation to the items addressed in the cover letter.

### Attached:

- Updated budget to match GA contract
- Updated budget breakout form

Identify in writing any changes to the project's scope of work from the original application.

**No change from original scope**

Updated: **All pages must be submitted regardless if the information has changed or not.**

Application Info Page. **Revised**

Budget Page. **Revised**

EAC Briefing Page. **Revised**

Project Schedule Page. Re-examine the project schedule to ensure all actions, permits, winter shutdown, acquisition and reviews have been determined and scheduled. **No change**

Design Professional Cost Estimate - If it is felt that the cost estimate submitted with the November application is still valid then it's not necessary to submit an updated cost estimate. If there is likely a significant change to expected project cost (> 5%) then submit an updated cost estimate. **No Change.**

If not provided in the initial application, provide written evidence of the community's ability to secure local and other match funds committed to the project. Evidence must be a commitment letter or executed loan / grant agreement from the agency providing the matching funds. **No change**

If the project involves a building provide documentation of ownership and title to the subject building. This does not include buildings that are part of a water or sewer system, i.e. pump house. **N/A**

Provide documentation that a Fair Housing Resolution has been adopted before the addendum deadline of March 5, 2021. If unable to meet the deadline due to time constraints, identify the expected date that the resolution will be adopted. **Attached**

Submit city or county's most current audited financial statements. Can be sent either electronically or hard copy. Both formats not required. **FY2019 Audit Attached**

#### Modifications in Project Budget

- Increased planning /city cash by \$1000 to \$4000 (CEDA contract)
- Increased CDBG request to \$280,000, reduced city match by \$1,942 so total budget is rounded.

**IV. ICDBG Application Information Form**

Applicant (City/County): City of Kamiah  
 Address: P.O. Box 338, Kamiah, ID 83536  
 Email Address: Stephanie@cityofkamiah.org  
 DUNS # 083634142

Chief Elected Official: Mayor Betty Heater  
 Phone: 208-935-2672

CAGE Code 4CCH1

Application Prepared by: Dodd Snodgrass, CEDA  
 Address: 1626 6<sup>th</sup> Ave N, Lewiston, ID 83501

Phone: 208-791-4456

Engineer (Contact Name): Stillman Norton  
 Address: Keller Associates, 733 5th St Suite A, Clarkston, WA 99403

Phone: 509-295-9676

**NATIONAL OBJECTIVE (MARK ONE)**

**LMI Area**      \_\_\_ LMI Clientele    \_\_\_ Post Disaster  
 \_\_\_ LMI Jobs        \_\_\_ Slum & Blight   \_\_\_ LMI Housing

**PROJECT TYPE (MARK ONE)**

**Public Facility**      \_\_\_ Post Disaster  
 \_\_\_ Infrastructure for Jobs    \_\_\_ Senior Center  
 \_\_\_ Downtown Revitalize    \_\_\_ Public Park  
 \_\_\_ Community Center

**PROJECT POPULATION TO BENEFIT (PERSONS): (Census/Survey/Jobs)**

**TOTAL # TO BENEFIT: 1,295**

**TOTAL # LMI TO BENEFIT: 932**

**% LMI TO BENEFIT: 72%**

**PROJECT DESCRIPTION:**

**Upgrade the city water booster pump station on Bryan Drive. The original pump station was constructed in 1977 and provides boosted pressures to zones on the west end of Kamiah and improves the overall performance of the City's water system. Improvements will replace the three existing pumps with five smaller pumps and two fire pumps. Other improvements include a new hydropneumatic tank, new onsite backup electrical generator, new electrical service to the building, new double door entry, new rooftop, and LED lighting.**

| SOURCE                             | AMOUNT           | FUNDS COMMITTED/<br>CONTRACT AWARD<br>DATE | DOCUMENTATION IN<br>APPENDIX ** |
|------------------------------------|------------------|--|---------------------------------|
| <b>ICDBG</b>                       | <b>\$280,000</b> |  |                                 |
| Local Cash                         | \$400,000        | 11/20/2020                                 | E.                              |
| Local Loan*                        |                  |  |                                 |
| Local In-Kind**                    |                  |  |                                 |
| USDA-RD Grant                      |                  |  |                                 |
| State Grant                        |                  |  |                                 |
| Foundation Grant                   |                  |  |                                 |
| Private Investment                 |                  |  |                                 |
| Other (Local Planning Costs)       |                  |  |                                 |
| <b>TOTAL PROJECT<br/>FINANCING</b> | <b>\$680,000</b> |  |                                 |

\* Identify Loan Source(s) NA Date Bond or Necessary and Ordinary Passed \_\_\_\_\_

\*\*Identify which appendix corresponding documentation is in. Documentation should be a letter from the appropriate source.

## V. Economic Advisory Council Page:

The City of Kamiah, population 1,295, is a lovely, historic destination in Lewis County. Nestled along the Clearwater River, Kamiah is home to a vibrant business community, a high-performing school district, and a multitude of recreational and historical points centered around the Nez Perce Tribe, Lewis and Clark and forest access. Kamiah has been hard hit by the decline of the timber and extraction industries, traditional mainstays of the local economy, and Lewis County maintains a chronically high unemployment rate. The September Department of Labor unemployment report is 8.8%, the fifth highest rate in the state. An income survey completed in 2018 determined a low-moderate income population share of 72%. However, tourism, small businesses and the Forest Service headquarters continue to propel the area economy. The City has successfully accomplished many CDBG-funded projects over the years. Currently the city is renovating its community pool thanks to a Public Parks category CDBG.

The City is seeking \$280,000 in CDBG to upgrade its 43-year old Bryan Drive Booster Station by replacing outdated inefficient pumps with energy-wise variable-speed pumps, replacing critical tanks, electric service, and providing back-up electrical generation. The City is providing \$400,00 local cash.

The City's water system is divided between a main distribution system and a boosted pressure zone on the west end of town. The boosted pressure zone is served by the Bryan Drive Booster Station and increases pressure to both the Baker Drive (upper) and Bryan Drive (lower) pressure zones. The booster station is critical for water supply and fire flow to the west end of the City and overall reliability to the customers throughout town.

The need for the project is addressed in the City's 2010 water study and supported by a recent preliminary engineering report by Keller Associates. The components of the system are past their useful life and pose risk of failure. It is critical for the pump station to provide sufficient, on-call flows for fire protection. The old pumps do not operate variably nor is there system redundancy. Since the three existing pumps are constant speed pumps and not equipped with a variable frequency drive, pumps run at a single speed resulting in wasted energy and inefficient operation.

The Bryan Drive Booster Station is the central hub for the City's water system telemetry. Tank levels from the three City reservoirs, and booster pump controls for both the Bryan Drive and Pine Ridge Booster Stations are communicated back to the water treatment plant through this booster station. If the pumps fail, the entire water system would need to be controlled from the treatment plant. If the pumps failed or the hydropneumatic tank were to rupture, there would be no fire flow for the west side.

An upgraded booster pump station will deliver the peak hour flows with the largest duty pump out of service while maintaining system pressures in compliance with DEQ's requirements. Additionally, two new fire pumps will allow the City to meet DEQ's minimum system pressure during fire flow events with the largest fire pump out of service. There will be on-site emergency power to maintain service to the boosted pressure zone as well as ability to keep city-wide water system telemetry online. High efficiency pumping and variable frequency drives, including systems to monitor pressure and flow, will improve operation at a lower cost. There will be sufficient pumps to maintain both domestic and fire service without disruption if the largest pumps is taken offline for maintenance.

The City is in contact with Avista Utilities to evaluate electric consumption of the current operation and then do a performance-based evaluation when the new system is operational. The existing pump station costs the City \$5,300 annually in electricity. New variable speed pumps will alone reduce this costs. The evaluation may allow the City to be eligible for Avista's Incentive Payment Program, which could further reduce the costs to the City.

This project is Shovel Ready. The City has the contract documents, specifications, and design drawings. The DEQ has reviewed and approved plans and specifications and given authorization to bid and construct the project. Permitting is simple. No land acquisition is required. There are no known environmental constraints. The local cash match is in place.

**X. Idaho Community Development Block Grant Budget Form**

**Applicant or Grantee: City of Kamiah**

**Project Name: Bryan Drive Booster Station Upgrade**

| LINE ITEMS          | AMOUNTS   |           |              |          |        |           |
|---------------------|-----------|-----------|--------------|----------|--------|-----------|
|                     | ICDBG     | City Cash | City In-Kind | Federal* | State* | Total     |
| Planning            |           | \$4,000   |              |          |        | \$4,000   |
| Facilities Plan     |           | \$66,200  |              |          |        | \$66,200  |
| Administrative**    | \$25,000  |           |              |          |        | \$25,000  |
| Design Professional | \$34,135  | \$34,133  |              |          |        | \$68,268  |
| Acquisition         |           |           |              |          |        |           |
| Soft Cost (TERO)    |           | \$15,929  |              |          |        | \$15,929  |
| Construction        | \$220,865 | \$279,738 |              |          |        | \$500,610 |
| Materials/Equip     |           |           |              |          |        |           |
| Financing           |           |           |              |          |        |           |
| Legal               |           |           |              |          |        |           |
| Property Value      |           |           |              |          |        |           |
| <b>Total Costs</b>  | \$280,000 | \$400,000 | \$0          | \$0      | \$0    | \$680,000 |

XII. **Project Schedule**

| <b>Project Activity</b>                | <b>Date (to be) Completed</b> | <b>Documentation in Appendix</b> |
|--|-------------------------------|----------------------------------|
| Design Professional Contract Executed  | <b>May 2021</b>               |                                  |
| Grant Administration Contract Executed | <b>May 2021</b>               |                                  |
| Environmental Release                  | <b>June 2021</b>              |                                  |
| Bid Document Approval                  | <b>May 14, 2020</b>           | <b>Approved by DEQ.</b>          |
| Bid Opening                            | <b>July 2021</b>              |                                  |
| Construction Contract Executed         | <b>July 2021</b>              |                                  |
| Start Construction                     | <b>Aug 2021</b>               |                                  |
| Second Public Hearing                  | <b>Dec 2021</b>               |                                  |
| Certificate of Substantial Completion  | <b>April 2022</b>             |                                  |
| Furthering Fair Housing Actions        | <b>Oct 2021</b>               |                                  |
| 504/ADA Accessibility Actions          | <b>Oct 2021</b>               |                                  |
| LEP Four Factor Analysis               | <b>Oct 2021</b>               |                                  |
| Construction 100% Complete             | <b>May 2022</b>               |                                  |
| Final Closeout                         | <b>June 2022</b>              |                                  |

City of Kamiah  
Kamiah, Idaho

RESOLUTION NO. 2021-01  
FAIR HOUSING RESOLUTION

LET IT BE KNOWN TO ALL PERSONS OF the City of Kamiah that discrimination on the basis of race, color, religion, gender or national origin in the sale, rental, leasing or financing of housing or land to be used for construction of housing or in the provision of brokerage services is prohibited by Title VIII of the 1968 Civil Rights Act (Federal Fair Housing Law).

It is the policy of the City of Kamiah to encourage equal opportunity in housing for all persons regardless of race, color, religion, gender or national origin. The Fair Housing Amendments Act of 1988 expands coverage to include disabled persons and families with children. Therefore, the City does hereby pass the following Resolution.

BE IT RESOLVED that within available resources the City will assist all persons who feel they have been discriminated against because of race, color, religion, gender, national origin, disability or familial status to seek equity under federal and state laws by referring them to the U.S. Department of Housing and Urban Development, Office of Fair Housing and Equal Opportunity, Compliance Division.

BE IT FURTHER RESOLVED that the City shall publicize this Resolution and through this publicity shall encourage owners of real estate, developers, and builders to become aware of their respective responsibilities and rights under the Federal Fair Housing Law and amendments and any applicable state or local laws or ordinances.

SAID PROGRAM will at a minimum include: 1) publicizing this resolution; 2) posting applicable fair housing information in prominent public areas; 3) providing fair housing information to the public; 4) preparing a fair housing assessment; and 5) declaring April as Fair Housing Month.

EFFECTIVE DATE:

This Resolution shall take effect February 10, 2021

Stephanie Dye  
Attest

Betty Heater  
Betty Heater, Mayor

# City of Kamiah, Idaho

Year Ended September 30, 2019

## Audited Financial Statements



**CITY OF KAMIAH, IDAHO**  
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## Independent Auditor's Report

Honorable Mayor and City Council  
City of Kamiah, Idaho

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Kamiah, Idaho (the City) as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### Management's Responsibility 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; 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.

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of September 30, 2019, 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.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules, schedule of employer's share of net pension liability, and schedule of employer contributions listed as required supplementary information in the table of contents be presented to supplement the basic financial statements. Such information, although not required to be 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, and 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 included the management's discussion and analysis information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such information, although not 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, and historical context. Our opinion on the basic financial statements is not affected by not including this information.

### *Other Information*

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

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or 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 January 20, 2020, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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.

### ***Quest CPAs PLLC***

Payette, Idaho  
January 20, 2020

**CITY OF KAMIAH, IDAHO**

Statement of Net Position

September 30, 2019

|   | <u>Governmental<br/>Activities</u> | <u>Business-Type<br/>Activities</u> | <u>Total</u>        |
|---|------------------------------------|-------------------------------------|---------------------|
| <b>Assets</b>   |                                    |                                     |                     |
| Current Assets  |                                    |                                     |                     |
| Cash & Investments  | \$455,818                          | \$1,393,305                         | \$1,849,123         |
| Receivables:  |                                    |                                     |                     |
| Taxes   | 23,930                             |                                     | 23,930              |
| Intergovernmental   | 38,333                             |                                     | 38,333              |
| Accounts  | 2,442                              | 119,631                             | 122,073             |
| Due From Other Funds  |                                    | 19,290                              | 19,290              |
| Total Current Assets  | <u>520,523</u>                     | <u>1,532,226</u>                    | <u>2,052,749</u>    |
| Noncurrent Assets   |                                    |                                     |                     |
| Restricted Cash & Investments   |                                    | 227,163                             | 227,163             |
| Nondepreciable Capital Assets   | 376,935                            | 117,748                             | 494,683             |
| Depreciable Net Capital Assets  | 528,206                            | 7,244,284                           | 7,772,490           |
| Total Noncurrent Assets   | <u>905,141</u>                     | <u>7,589,195</u>                    | <u>8,494,336</u>    |
| <b>Total Assets</b>   | <u>1,425,664</u>                   | <u>9,121,421</u>                    | <u>10,547,085</u>   |
| <b>Deferred Outflows of Resources</b>   |                                    |                                     |                     |
| Pension Deferred Outflows   | 21,450                             | 7,309                               | 28,759              |
| <b>Total Deferred Outflows of Resources</b>                                     | <u>21,450</u>                      | <u>7,309</u>                        | <u>28,759</u>       |
| <b>Total Assets and Deferred Outflows<br/>of Resources</b>                      | <u>\$1,447,114</u>                 | <u>\$9,128,730</u>                  | <u>\$10,575,844</u> |
| <b>Liabilities</b>  |                                    |                                     |                     |
| Current Liabilities   |                                    |                                     |                     |
| Accounts Payable & Accrued Expenses   | \$11,826                           | \$4,618                             | \$16,444            |
| Due To Other Funds  | 19,290                             |                                     | 19,290              |
| Accrued Interest  |                                    | 20,174                              | 20,174              |
| Long-Term Debt & Obligations, Current   |                                    | 155,036                             | 155,036             |
| Total Current Liabilities   | <u>31,116</u>                      | <u>179,828</u>                      | <u>210,944</u>      |
| Noncurrent Liabilities  |                                    |                                     |                     |
| Long-Term Debt & Obligations, Noncurrent  |                                    | 3,244,361                           | 3,244,361           |
| Net Pension Liability   | 89,165                             | 38,353                              | 127,518             |
| Total Noncurrent Liabilities  | <u>89,165</u>                      | <u>3,282,714</u>                    | <u>3,371,879</u>    |
| <b>Total Liabilities</b>  | <u>120,281</u>                     | <u>3,462,542</u>                    | <u>3,582,823</u>    |
| <b>Deferred Inflows of Resources</b>  |                                    |                                     |                     |
| Pension Deferred Inflows  | 25,836                             | 32,633                              | 58,469              |
| <b>Total Deferred Inflows of Resources</b>                                      | <u>25,836</u>                      | <u>32,633</u>                       | <u>58,469</u>       |
| <b>Total Liabilities and Deferred Inflows<br/>of Resources</b>                  | <u>146,117</u>                     | <u>3,495,175</u>                    | <u>3,641,292</u>    |
| <b>Net Position</b>   |                                    |                                     |                     |
| Net Investment in Capital Assets  | 905,141                            | 3,942,461                           | 4,847,602           |
| Restricted - Debt Service   |                                    | 227,163                             | 227,163             |
| Restricted - Special Programs   | 69,756                             |                                     | 69,756              |
| Unrestricted  | 326,100                            | 1,463,931                           | 1,790,031           |
| <b>Total Net Position</b>   | <u>1,300,997</u>                   | <u>5,633,555</u>                    | <u>6,934,552</u>    |
| <b>Total Liabilities and Deferred Inflows<br/>of Resources and Net Position</b> | <u>\$1,447,114</u>                 | <u>\$9,128,730</u>                  | <u>\$10,575,844</u> |

See Accompanying Notes

**CITY OF KAMIAH, IDAHO**  
Statement of Activities  
Year Ended September 30, 2019

| <b>Functions/Programs</b>             | <b>Expenses</b>    | <b>Program Revenues</b>        |   | <b>Net (Expense) Revenue</b> |
|---------------------------------------|--------------------|--------------------------------|---|------------------------------|
|                                       |                    | <b>Charges For Services</b>    | <b>Operating Grants And Contributions</b> |                              |
| <b>Governmental Activities</b>        |                    |                                |   |                              |
| Current Expenditures                  |                    |                                |   |                              |
| General Government                    | \$103,536          | \$27,202                       |   | (\$76,334)                   |
| Public Safety                         | 388,399            | 102,046                        |   | (286,353)                    |
| Highways & Streets                    | 120,614            | 31,689                         |   | (88,925)                     |
| Airport                               | 15,670             | 4,117                          |   | (11,553)                     |
| Culture & Recreation                  | 33,053             | 8,684                          |   | (24,369)                     |
| Capital Assets                        | 98,756             | 25,947                         |   | (72,809)                     |
| Debt Service                          | 1,928              | 507                            |   | (1,421)                      |
| <b>Total Governmental Activities</b>  | <u>761,956</u>     | <u>200,192</u>                 | <u>\$0</u>                                | <u>(\$561,764)</u>           |
| <b>Business-Type Activities</b>       |                    |                                |   |                              |
| Ambulance Services                    | 341,194            | 270,329                        |   | (45,865)                     |
| Water Services                        | 643,892            | 477,149                        | 25,000                                    | (166,743)                    |
| Sewer Services                        | 444,666            | 495,085                        |   | 50,419                       |
| Sanitation Services                   | 162,543            | 168,766                        |   | 6,223                        |
| <b>Total Business-Type Activities</b> | <u>1,592,295</u>   | <u>1,411,329</u>               | <u>0</u>                                  | <u>(155,966)</u>             |
| <b>Total</b>                          | <u>\$2,354,251</u> | <u>\$1,611,521</u>             | <u>\$0</u>                                | <u>(\$717,730)</u>           |
| <b>Changes in Net Position</b>        |                    |                                |   |                              |
| <b>Net (Expense) Revenue</b>          |                    | <b>Governmental Activities</b> | <b>Business-Type Activities</b>           | <b>Total</b>                 |
|                                       |                    | (\$561,764)                    | (\$155,966)                               | (\$717,730)                  |
| <b>General Revenues</b>               |                    |                                |   |                              |
| Taxes                                 |                    | 224,747                        |   | 224,747                      |
| Intergovernmental Revenue             |                    | 214,448                        |   | 214,448                      |
| Investment Return                     |                    |                                | 39,911                                    |                              |
| Miscellaneous                         |                    | 14,306                         |   | 14,306                       |
| Pension Revenue (Expense)             |                    | 4,953                          | 9,898                                     | 14,851                       |
| <b>Total</b>                          |                    | <u>458,454</u>                 | <u>49,809</u>                             | <u>468,352</u>               |
| <b>Change in Net Position</b>         |                    | (103,310)                      | (106,157)                                 | (249,378)                    |
| <b>Net Position - Beginning</b>       |                    | 1,404,307                      | 5,739,712                                 | 7,144,019                    |
| <b>Net Position - Ending</b>          |                    | <u>\$1,300,997</u>             | <u>\$5,633,555</u>                        | <u>\$6,894,641</u>           |

**CITY OF KAMIAH, IDAHO**  
 Balance Sheet - Governmental Funds  
 September 30, 2019

|  | <b>General<br/>Fund</b> | <b>Street<br/>Fund</b> | <b>Other<br/>Governmental<br/>Funds</b> | <b>Total<br/>Governmental<br/>Funds</b> |
|--|-------------------------|------------------------|---|---|
| <b>Assets</b>  |                         |                        |   |   |
| Cash & Investments   | \$169,864               | \$219,855              | \$66,099                                | \$455,818                               |
| Receivables:   |                         |                        |   |   |
| Taxes  | 20,604                  | 2,197                  | 1,129                                   | 23,930                                  |
| Intergovernmental  | 18,489                  | 16,390                 | 3,454                                   | 38,333                                  |
| Accounts   | 276                     | 2,166                  | 0                                       | 2,442                                   |
| Due From Other Funds   |                         |                        | 0                                       | 0                                       |
| <b>Total Assets</b>  | <b>\$209,233</b>        | <b>\$240,608</b>       | <b>\$70,682</b>                         | <b>\$520,523</b>                        |
| <b>Liabilities</b>   |                         |                        |   |   |
| Accounts Payable & Accrued Expenses  | \$8,837                 | \$2,989                | \$0                                     | \$11,826                                |
| Due To Other Funds   | 19,290                  |                        |   | 19,290                                  |
| Unspent Grant Revenue  |                         |                        | 0                                       | 0                                       |
| <b>Total Liabilities</b>   | <b>28,127</b>           | <b>2,989</b>           | <b>0</b>                                | <b>31,116</b>                           |
| <b>Deferred Inflows of Resources</b>   |                         |                        |   |   |
| Unavailable Tax Revenues   | 16,950                  | 1,809                  | 926                                     | 19,685                                  |
| <b>Total Deferred Inflows of Resources</b>                                       | <b>16,950</b>           | <b>1,809</b>           | <b>926</b>                              | <b>19,685</b>                           |
| <b>Fund Balances</b>   |                         |                        |   |   |
| Restricted - Special Programs  |                         |                        | 69,756                                  | 69,756                                  |
| Unassigned   | 164,156                 | 235,810                | 0                                       | 399,966                                 |
| <b>Total Fund Balances</b>   | <b>164,156</b>          | <b>235,810</b>         | <b>69,756</b>                           | <b>469,722</b>                          |
| <b>Total Liabilities and Deferred Inflows<br/>of Resources and Fund Balances</b> | <b>\$209,233</b>        | <b>\$240,608</b>       | <b>\$70,682</b>                         | <b>\$520,523</b>                        |

**CITY OF KAMIAH, IDAHO**  
Balance Sheet - Governmental Funds  
September 30, 2019

Page 2 of 2

**Reconciliation of Total Governmental Fund Balances to Net Position  
of Governmental Activities**

**Total Governmental Fund Balances** \$469,722

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 905,141

Certain receivables are not available to pay for current period expenditures and therefore are deferred in the funds. 19,685

Net pension liability and related pension source deferred outflow and deferred inflow of resources, are not due and payable in the current period and therefore are not reported in the funds. (93,551)

**Net Position of Governmental Activities** \$1,300,997

**CITY OF KAMIAH, IDAHO**

Statement of Revenues, Expenditures, and Changes in Fund Balances -  
Governmental Funds  
Year Ended September 30, 2019

|  | <b>General<br/>Fund</b> | <b>Street<br/>Fund</b> | <b>Other<br/>Governmental<br/>Funds</b> | <b>Total<br/>Governmental<br/>Funds</b> |
|--|-------------------------|------------------------|---|---|
| <b>Revenues</b>  |                         |                        |   |   |
| Taxes  | \$202,232               | \$14,686               | \$6,546                                 | \$223,464                               |
| Intergovernmental Revenue                                    | 139,171                 | 71,137                 | 4,140                                   | 214,448                                 |
| Licenses, Fees, & Charges                                    | 159,616                 | 29,079                 | 11,497                                  | 200,192                                 |
| Miscellaneous  | 5,512                   | 5,084                  | 3,710                                   | 14,306                                  |
| <b>Total Revenues</b>  | <u>506,531</u>          | <u>119,986</u>         | <u>25,893</u>                           | <u>652,410</u>                          |
| <b>Expenditures</b>  |                         |                        |   |   |
| Current Expenditures   |                         |                        |   |   |
| General Government   | 106,479                 |                        | 0                                       | 106,479                                 |
| Public Safety  | 399,472                 |                        | 0                                       | 399,472                                 |
| Highways & Streets   |                         | 123,597                | 0                                       | 123,597                                 |
| Airport  | 15,670                  |                        | 0                                       | 15,670                                  |
| Culture & Recreation   | 7,073                   |                        | 25,980                                  | 33,053                                  |
| Capital Outlay   |                         |                        | 0                                       | 0                                       |
| Debt Service   | 1,928                   |                        | 0                                       | 1,928                                   |
| <b>Total Expenditures</b>                                    | <u>530,622</u>          | <u>123,597</u>         | <u>25,980</u>                           | <u>680,199</u>                          |
| <b>Excess (Deficiency) of Revenues<br/>Over Expenditures</b> | (24,091)                | (3,611)                | (87)                                    | (27,789)                                |
| <b>Other Financing Sources (Uses)</b>                        |                         |                        |   |   |
| Transfers In   |                         |                        | 0                                       | 0                                       |
| Transfers Out  |                         |                        | 0                                       | 0                                       |
| <b>Total Other Financing Sources (Uses)</b>                  | <u>0</u>                | <u>0</u>               | <u>0</u>                                | <u>0</u>                                |
| <b>Net Change in Fund Balances</b>                           | (24,091)                | (3,611)                | (87)                                    | (27,789)                                |
| <b>Fund Balances - Beginning</b>                             | 188,247                 | 239,421                | 69,843                                  | 497,511                                 |
| <b>Fund Balances - Ending</b>                                | <u>\$164,156</u>        | <u>\$235,810</u>       | <u>\$69,756</u>                         | <u>\$469,722</u>                        |

**CITY OF KAMIAH, IDAHO**  
Statement of Revenues, Expenditures, and Changes in Fund Balances -  
Governmental Funds  
Year Ended September 30, 2019

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to the Statement of Activities**

**Net Change in Fund Balances - Total Governmental Funds** (\$27,789)

Amounts reported for governmental activities in the statement of activities are different because:

Government funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the excess of capital outlays over (under) depreciation expense in the current period. (98,756)

Revenues in the statement of activities that do not provide current financial resources are deferred in the funds. 1,283

In the statement of activities, compensated absences are accrued when earned, but the expenditure is reported when due in the governmental funds. 2,983

Changes in net pension liability and related pension source deferred outflow and deferred inflow of resources do not provide or require current financial resources and therefore are not reflected in the funds. 18,969

**Change in Net Position of Governmental Activities** (\$103,310)

**CITY OF KAMIAH, IDAHO**  
Statement of Net Position - Proprietary Funds  
September 30, 2019

|   | <b>Enterprise Funds</b>   |                       |                       |                            |
|---|---------------------------|-----------------------|-----------------------|----------------------------|
|   | <b>Ambulance<br/>Fund</b> | <b>Water<br/>Fund</b> | <b>Sewer<br/>Fund</b> | <b>Sanitation<br/>Fund</b> |
| <b>Assets</b>   |                           |                       |                       |                            |
| Current Assets  |                           |                       |                       |                            |
| Cash & Investments  | \$421,042                 | \$625,801             | \$336,280             | \$10,182                   |
| Receivables:  |                           |                       |                       |                            |
| Accounts  | 46,577                    | 36,150                | 24,551                | 12,353                     |
| Due From Other Funds  | 19,290                    |                       |                       |                            |
| Total Current Assets  | <u>486,909</u>            | <u>661,951</u>        | <u>360,831</u>        | <u>22,535</u>              |
| Noncurrent Assets   |                           |                       |                       |                            |
| Restricted Cash & Investments   |                           | 92,169                | 134,994               |                            |
| Nondepreciable Capital Assets   | 8,000                     | 27,654                | 82,094                |                            |
| Depreciable Net Capital Assets  | 599,651                   | 5,298,796             | 1,345,837             |                            |
| Total Noncurrent Assets   | <u>607,651</u>            | <u>5,418,619</u>      | <u>1,562,925</u>      | <u>0</u>                   |
| <b>Total Assets</b>   | <u>1,094,560</u>          | <u>6,080,570</u>      | <u>1,923,756</u>      | <u>22,535</u>              |
| <b>Deferred Outflows of Resources</b>   |                           |                       |                       |                            |
| Pension Deferred Outflows   | 3,378                     | 331                   | 3,600                 |                            |
| <b>Total Deferred Outflows of Resources</b>                                     | <u>3,378</u>              | <u>331</u>            | <u>3,600</u>          | <u>0</u>                   |
| <b>Total Assets and Deferred Outflows<br/>of Resources</b>                      | <u>\$1,097,938</u>        | <u>\$6,080,901</u>    | <u>\$1,927,356</u>    | <u>\$22,535</u>            |
| <b>Liabilities</b>  |                           |                       |                       |                            |
| Current Liabilities   |                           |                       |                       |                            |
| Accounts Payable & Accrued Expenses   | \$2,787                   | \$1,707               | \$124                 |                            |
| Due To Other Funds  |                           |                       |                       |                            |
| Accrued Interest  |                           | 15,765                | 4,409                 |                            |
| Long-Term Debt & Obligations, Current   |                           | 67,618                | 87,417                |                            |
| Total Current Liabilities   | <u>2,787</u>              | <u>85,090</u>         | <u>91,950</u>         | <u>\$0</u>                 |
| Noncurrent Liabilities  |                           |                       |                       |                            |
| Long-Term Debt & Obligations, Noncurrent  | 179,534                   | 1,714,902             | 1,349,926             |                            |
| Net Pension Liability   | 892                       | 21,148                | 16,313                |                            |
| Total Noncurrent Liabilities  | <u>180,426</u>            | <u>1,736,050</u>      | <u>1,366,239</u>      | <u>0</u>                   |
| <b>Total Liabilities</b>  | <u>183,213</u>            | <u>1,821,140</u>      | <u>1,458,189</u>      | <u>0</u>                   |
| <b>Deferred Inflows of Resources</b>  |                           |                       |                       |                            |
| Pension Deferred Inflows  | 550                       | 22,838                | 9,245                 |                            |
| <b>Total Deferred Inflows of Resources</b>                                      | <u>550</u>                | <u>22,838</u>         | <u>9,245</u>          | <u>0</u>                   |
| <b>Total Liabilities and Deferred Inflows<br/>of Resources</b>                  | <u>183,763</u>            | <u>1,843,978</u>      | <u>1,467,434</u>      | <u>0</u>                   |
| <b>Net Position</b>   |                           |                       |                       |                            |
| Net Investment in Capital Assets  | 428,117                   | 3,528,165             | (13,821)              | 0                          |
| Restricted - Debt Service   |                           | 92,169                | 134,994               |                            |
| Unrestricted  | 486,058                   | 616,589               | 338,749               | 22,535                     |
| <b>Total Net Position</b>   | <u>914,175</u>            | <u>4,236,923</u>      | <u>459,922</u>        | <u>22,535</u>              |
| <b>Total Liabilities and Deferred Inflows<br/>of Resources and Net Position</b> | <u>\$1,097,938</u>        | <u>\$6,080,901</u>    | <u>\$1,927,356</u>    | <u>\$22,535</u>            |

**CITY OF KAMIAH, IDAHO**  
Statement of Net Position - Proprietary Funds  
September 30, 2019

|   | <u><b>Total<br/>Enterprise<br/>Funds</b></u> |
|---|--|
| <b>Assets</b>   |  |
| Current Assets  |  |
| Cash & Investments  | \$1,393,305                                  |
| Receivables:  |  |
| Accounts  | 119,631                                      |
| Due From Other Funds  | 19,290                                       |
| Total Current Assets  | <u>1,532,226</u>                             |
| Noncurrent Assets   |  |
| Restricted Cash & Investments   | 227,163                                      |
| Nondepreciable Capital Assets   | 117,748                                      |
| Depreciable Net Capital Assets  | 7,244,284                                    |
| Total Noncurrent Assets   | <u>7,589,195</u>                             |
| <b>Total Assets</b>   | <u>9,121,421</u>                             |
| <br><b>Deferred Outflows of Resources</b>                                       |  |
| Pension Deferred Outflows   | 7,309  |
| <b>Total Deferred Outflows of Resources</b>                                     | <u>7,309</u>                                 |
| <b>Total Assets and Deferred Outflows<br/>of Resources</b>                      | <u><u>\$9,128,730</u></u>                    |
| <br><b>Liabilities</b>  |  |
| Current Liabilities   |  |
| Accounts Payable & Accrued Expenses   | \$4,618                                      |
| Due To Other Funds  | 0  |
| Accrued Interest  | 20,174                                       |
| Long-Term Debt & Obligations, Current   | 155,035                                      |
| Total Current Liabilities   | <u>179,827</u>                               |
| Noncurrent Liabilities  |  |
| Long-Term Debt & Obligations, Noncurrent  | 3,244,362                                    |
| Net Pension Liability   | 38,353                                       |
| Total Noncurrent Liabilities  | <u>3,282,715</u>                             |
| <b>Total Liabilities</b>  | <u>3,462,542</u>                             |
| <br><b>Deferred Inflows of Resources</b>  |  |
| Pension Deferred Inflows  | 32,633                                       |
| <b>Total Deferred Inflows of Resources</b>                                      | <u>32,633</u>                                |
| <b>Total Liabilities and Deferred Inflows<br/>of Resources</b>                  | <u>3,495,175</u>                             |
| <br><b>Net Position</b>   |  |
| Net Investment in Capital Assets  | 3,942,461                                    |
| Restricted - Debt Service   | 227,163                                      |
| Unrestricted  | 1,463,931                                    |
| <b>Total Net Position</b>   | <u>5,633,555</u>                             |
| <b>Total Liabilities and Deferred Inflows<br/>of Resources and Net Position</b> | <u><u>\$9,128,730</u></u>                    |

**CITY OF KAMIAH, IDAHO**

Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds  
Year Ended September 30, 2019

|   | <b>Enterprise Funds</b>   |                           |                         |                            |
|---|---------------------------|---------------------------|-------------------------|----------------------------|
|   | <b>Ambulance<br/>Fund</b> | <b>Water<br/>Fund</b>     | <b>Sewer<br/>Fund</b>   | <b>Sanitation<br/>Fund</b> |
| <b>Operating Revenues</b>                                     |                           |                           |                         |                            |
| Charges for Sales & Services                                  | \$267,419                 | \$475,050                 | \$487,709               | \$168,766                  |
| Miscellaneous   | 2,910                     | 2,099                     | 7,376                   |                            |
| <b>Total Operating Revenues</b>                               | <u>270,329</u>            | <u>477,149</u>            | <u>495,085</u>          | <u>168,766</u>             |
| <b>Operating Expenses</b>                                     |                           |                           |                         |                            |
| Personnel   | 116,572                   | 178,856                   | 77,456                  |                            |
| Goods & Services  | 146,538                   | 195,617                   | 215,625                 | 162,543                    |
| Depreciation  | 78,084                    | 235,645                   | 87,370                  |                            |
| <b>Total Operating Expenses</b>                               | <u>341,194</u>            | <u>610,118</u>            | <u>380,451</u>          | <u>162,543</u>             |
| <b>Operating Income (Loss)</b>                                | <u>(70,865)</u>           | <u>(132,969)</u>          | <u>114,634</u>          | <u>6,223</u>               |
| <b>Nonoperating Revenues (Expenses)</b>                       |                           |                           |                         |                            |
| Interest Income   | 11,149                    | 18,359                    | 10,371                  | 32                         |
| Interest Expense  |                           | (33,774)                  | (64,215)                |                            |
| Pension Revenue (Expense)                                     | 604                       | 7,234                     | 2,060                   |                            |
| <b>Total Nonoperating Revenue<br/>(Expenses)</b>              | <u>11,753</u>             | <u>(8,181)</u>            | <u>(51,784)</u>         | <u>32</u>                  |
| <b>Income (Loss) Before<br/>Contributions &amp; Transfers</b> | <u>(59,112)</u>           | <u>(141,150)</u>          | <u>62,850</u>           | <u>6,255</u>               |
| Capital Grants  | 25,000                    |                           |                         |                            |
| Transfers In  |                           |                           |                         |                            |
| Transfers Out   |                           |                           |                         |                            |
| <b>Change in Net Position</b>                                 | <u>(34,112)</u>           | <u>(141,150)</u>          | <u>62,850</u>           | <u>6,255</u>               |
| <b>Net Position - Beginning</b>                               | <u>948,287</u>            | <u>4,378,073</u>          | <u>397,072</u>          | <u>16,280</u>              |
| <b>Net Position - Ending</b>                                  | <u><u>\$914,175</u></u>   | <u><u>\$4,236,923</u></u> | <u><u>\$459,922</u></u> | <u><u>\$22,535</u></u>     |

**CITY OF KAMIAH, IDAHO**

Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds  
Year Ended September 30, 2019

|   | <b>Total<br/>Enterprise<br/>Funds</b> |
|---|---------------------------------------|
| <b>Operating Revenues</b>                                     |                                       |
| Charges for Sales & Services                                  | \$1,398,944                           |
| Miscellaneous   | 12,385                                |
| <b>Total Operating Revenues</b>                               | <u>1,411,329</u>                      |
| <b>Operating Expenses</b>                                     |                                       |
| Personnel   | 372,884                               |
| Goods & Services  | 720,323                               |
| Depreciation  | 401,099                               |
| <b>Total Operating Expenses</b>                               | <u>1,494,306</u>                      |
| <b>Operating Income (Loss)</b>                                | <u>(82,977)</u>                       |
| <b>Nonoperating Revenues (Expenses)</b>                       |                                       |
| Interest Income   | 39,911                                |
| Interest Expense  | (97,989)                              |
| Other Income (Expense)  | 9,898                                 |
| <b>Total Nonoperating Revenue<br/>(Expenses)</b>              | <u>(48,180)</u>                       |
| <b>Income (Loss) Before<br/>Contributions &amp; Transfers</b> | (131,157)                             |
| Capital Grants  | 25,000                                |
| Transfers In  | 0                                     |
| Transfers Out   | 0                                     |
| <b>Change in Net Position</b>                                 | (106,157)                             |
| <b>Net Position - Beginning</b>                               | <u>5,739,712</u>                      |
| <b>Net Position - Ending</b>                                  | <u><u>\$5,633,555</u></u>             |

**CITY OF KAMIAH, IDAHO**  
**Statement of Cash Flows - Proprietary Funds**  
**Year Ended September 30, 2019**

|   | <b>Enterprise Funds</b>   |                       |                       |                            |
|---|---------------------------|-----------------------|-----------------------|----------------------------|
|   | <b>Ambulance<br/>Fund</b> | <b>Water<br/>Fund</b> | <b>Sewer<br/>Fund</b> | <b>Sanitation<br/>Fund</b> |
| <b>Cash Flows From Operations</b>   |                           |                       |                       |                            |
| Receipts from Customers   | \$261,748                 | \$479,173             | \$494,557             | \$168,361                  |
| Payments for Personnel  | (118,282)                 | (199,328)             | (83,287)              |                            |
| Payments for Goods & Services   | (145,661)                 | (194,928)             | (216,167)             | (172,455)                  |
| <b>Cash Provided (Used) By Operations</b>   | <u>(2,195)</u>            | <u>84,917</u>         | <u>195,103</u>        | <u>(4,094)</u>             |
| <b>Cash Flows From Noncapital Financing</b>   |                           |                       |                       |                            |
| Repayments from Other Funds   | 19,285                    |                       |                       |                            |
| <b>Cash Provided (Used) By Noncapital Financing</b>                                     | <u>19,285</u>             | <u>0</u>              | <u>0</u>              | <u>0</u>                   |
| <b>Cash Flows From Capital &amp; Related Financing</b>                                  |                           |                       |                       |                            |
| Acquisition of Capital Assets   | (233,190)                 |                       |                       |                            |
| Interest Paid on Debt   |                           | (40,146)              | (64,442)              |                            |
| Principal Paid on Debt  |                           | (52,023)              | (87,092)              |                            |
| Capital Grants Received   | 25,000                    |                       |                       |                            |
| Issuance of Debt  | 179,534                   |                       |                       |                            |
| Changes in Other Long-Term Obligations  | (686)                     | 4,581                 | (2,504)               |                            |
| <b>Cash Provided (Used) By Capital &amp; Related Financing</b>                          | <u>(29,342)</u>           | <u>(87,588)</u>       | <u>(154,038)</u>      | <u>0</u>                   |
| <b>Cash Flows From Investments</b>  |                           |                       |                       |                            |
| Interest Income   | 11,149                    | 18,359                | 10,371                | 32                         |
| <b>Cash Provided (Used) By Investments</b>  | <u>11,149</u>             | <u>18,359</u>         | <u>10,371</u>         | <u>32</u>                  |
| <b>Change in Cash &amp; Investments</b>   | (1,103)                   | 15,688                | 51,436                | (4,062)                    |
| <b>Cash &amp; Investments - Beginning</b>   | 422,145                   | 702,282               | 419,838               | 14,244                     |
| <b>Cash &amp; Investments - Ending</b>  | <u>\$421,042</u>          | <u>\$717,970</u>      | <u>\$471,274</u>      | <u>\$10,182</u>            |
| <b>Cash &amp; Investments Reconciliation</b>  |                           |                       |                       |                            |
| Cash & Investments  | \$421,042                 | \$625,801             | \$336,280             | \$10,182                   |
| Restricted Cash & Investments   |                           | 92,169                | 134,994               |                            |
| <b>Total Cash &amp; Investments</b>   | <u>\$421,042</u>          | <u>\$717,970</u>      | <u>\$471,274</u>      | <u>\$10,182</u>            |
| <b>Reconciliation of Operating Income (Loss) to Cash Provided (Used) By Operations</b>  |                           |                       |                       |                            |
| Operating Income (Loss)   | (\$70,865)                | (\$132,969)           | \$114,634             | \$6,223                    |
| Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operations: |                           |                       |                       |                            |
| Depreciation  | 78,084                    | 235,645               | 87,370                |                            |
| Pension Contributions   | (1,710)                   | (20,472)              | (5,831)               |                            |
| Changes in Assets & Liabilities:  |                           |                       |                       |                            |
| Receivables   | (8,581)                   | 2,024                 | (528)                 | (405)                      |
| Accounts Payable & Accrued Expenses   | 877                       | 689                   | (542)                 | (9,912)                    |
| <b>Cash Provided (Used) By Operations</b>   | <u>(\$2,195)</u>          | <u>\$84,917</u>       | <u>\$195,103</u>      | <u>(\$4,094)</u>           |

**CITY OF KAMIAH, IDAHO**  
Statement of Cash Flows - Proprietary Funds  
Year Ended September 30, 2019

|  | <b>Total<br/>Enterprise<br/>Funds</b> |
|--|---------------------------------------|
| <b>Cash Flows From Operations</b>  |                                       |
| Receipts from Customers  | \$1,403,839                           |
| Payments for Personnel   | (400,897)                             |
| Payments for Goods & Services  | (729,211)                             |
| <b>Cash Provided (Used) By Operations</b>  | 273,731                               |
| <b>Cash Flows From Noncapital Financing</b>  |                                       |
| Repayments from Other Funds  | 19,285                                |
| <b>Cash Provided (Used) By Noncapital Financing</b>  | 19,285                                |
| <b>Cash Flows From Capital &amp; Related Financing</b>                                     |                                       |
| Acquisition of Capital Assets  | (233,190)                             |
| Interest Paid on Debt  | (104,588)                             |
| Principal Paid on Debt   | (139,115)                             |
| Capital Grants Received  | 25,000                                |
| Changes in Other Long-Term Obligations   | 1,391                                 |
| <b>Cash Provided (Used) By Capital &amp; Related Financing</b>                             | (450,502)                             |
| <b>Cash Flows From Investments</b>   |                                       |
| Interest Income  | 39,911                                |
| <b>Cash Provided (Used) By Investments</b>   | 39,911                                |
| <b>Change in Cash &amp; Investments</b>  | (117,575)                             |
| <b>Cash &amp; Investments - Beginning</b>  | 1,558,509                             |
| <b>Cash &amp; Investments - Ending</b>   | \$1,440,934                           |
| <b>Cash &amp; Investments Reconciliation</b>   |                                       |
| Cash & Investments   | \$1,393,305                           |
| Restricted Cash & Investments  | \$227,163                             |
| <b>Total Cash &amp; Investments</b>  | \$1,620,468                           |
| <b>Reconciliation of Operating Income (Loss) to Cash<br/>Provided (Used) By Operations</b> |                                       |
| Operating Income (Loss)  | (\$82,977)                            |
| Adjustments to Reconcile Operating Income (Loss) to<br>Cash Provided (Used) by Operations: |                                       |
| Depreciation   | 401,099                               |
| Pension Contributions  | (28,013)                              |
| Changes in Assets & Liabilities:   |                                       |
| Receivables  | (7,490)                               |
| Accounts Payable & Accrued Expenses  | (8,888)                               |
| <b>Cash Provided (Used) By Operations</b>  | \$273,731                             |

**CITY OF KAMIAH, IDAHO**  
Notes to Financial Statements

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**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity** – The City of Kamiah, Idaho (the City) provides basic municipal services and operates under a mayor-council form of government. These financial statements are prepared in accordance with generally accepted accounting principles (GAAP) as applied to cities. The governmental accounting standards board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (statements and interpretations). The more significant accounting policies established in GAAP and used by the City are discussed below.

**Basic Financial Statements - Government-Wide Statements** – The City’s basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City’s major funds). Both government-wide and fund financial statements categorize primary activities as either governmental or business-type.

In the government-wide statement of net position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations.

The government-wide statement of activities reports both the gross and net cost of each of the City’s functions and business-type activities. The functions are also supported by general government revenues as reported in the statement of activities. The statement of activities reduces gross expenses (including depreciation when recorded) by related program revenues and operating and capital grants. Program revenues must be directly associated with the function. Internal activity between funds is eliminated in the government-wide statement of activities. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reports capital-specific grants.

The net costs (by function or business-type activity) are normally covered by general revenues.

The City’s sole activity is providing basic municipal services, and substantially all expenses are directly related to this activity. Accordingly, there is no allocation of indirect costs.

The government-wide focus is more on the sustainability of the City as an entity and the change in the City’s net position resulting from the current year’s activities. Fiduciary funds, when present, are not included in the government-wide statements.

**Basic Financial Statements - Fund Financial Statements** – The financial transactions of the City are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures/expenses.

The emphasis in fund financial statements is on the major funds. Nonmajor funds by category are summarized into a single column. Generally accepted accounting principles set forth minimum criteria (percentage of assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues or expenditures/expenses of the funds) for the determination of major funds.

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. Major governmental funds of the City include:

**CITY OF KAMIAH, IDAHO**  
Notes to Financial Statements

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*General Fund* – The general fund is the City’s primary operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

*Special Revenue Funds* – Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. Major special revenue funds include the street fund, which accounts for maintenance and construction of the City’s streets.

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. Enterprise funds are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity is financed with debt that is solely secured by a pledge of the net revenues. The activities reported in enterprise funds are reported as business-type activities in the government-wide financial statements. Major enterprise funds of the City include:

*Ambulance, Water, Sewer, and Sanitation Funds* – The ambulance, water, sewer, and sanitation funds account for the revenues earned and expenses incurred in providing ambulance, water, sewer, and sanitation services.

**Basis of Accounting** – Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Both governmental and business-type activities in the government-wide financial statements and proprietary and fiduciary fund financial statements are reported on the full accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual (when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or within thirty days after year end. Expenditures are recorded when the related fund liability is incurred. Exceptions to this general rule include principal and interest on long-term debt which, if any, are recognized when due and payable.

**Cash and Investments** – Nearly all the cash and investment balances of the City’s funds are pooled for investment purposes. The individual funds’ portions of the pooled cash and investments are reported in each fund as cash and investments. Interest earned on pooled cash and investments is paid to the general fund unless Idaho Code specifies otherwise. Investments are measured using the market approach and include the local government investment pool, reported and measured at amortized cost following the provisions of GASB 79 which provide for consistent measurement of investment value amongst pool participants.

For purposes of the statement of cash flows, the City considers all investments (including restricted cash and investments) available for immediate withdrawal or with maturities of three months or less to be cash and cash equivalents (referred to as cash and investments).

**Receivables** – Receivables are reported net of any estimated uncollectible amounts.

**CITY OF KAMIAH, IDAHO**  
Notes to Financial Statements

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**Inventories** – Material supplies on hand at year end are stated at the lower of cost or net realizable value using the first-in, first-out method.

**Capital Assets and Depreciation** – Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation over the estimated useful lives of all depreciable assets is recorded using the straight line method.

**Compensated Absences** – The City provides certain compensated absences to its employees. The estimated amount of compensation for future amounts is recorded as a liability in the accompanying financial statements.

**Pensions** – For purposes of measuring the net pension liability and pension expense/revenue, information about the fiduciary net position of the Public Employee Retirement System of Idaho Base Plan (the 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** – The City’s financial statements may report deferred outflows/inflows of resources. Deferred outflows of resources represent a consumption of net assets that apply to a future period. Deferred inflows of resources represent an acquisition of net assets that apply to a future period. Deferred outflows/inflows of resources generally represent amounts that are not available in the current period.

**Net Position** – Net position is assets plus deferred outflows of resources less liabilities less deferred inflows of resources. The net investment in capital assets component of net position consists of the historical cost of capital assets less accumulated depreciation less any outstanding debt that was used to finance those assets plus deferred outflows of resources less deferred inflows of resources related to those assets. Restricted net position consists of assets that are restricted by creditors, grantors, contributors, legislation, and other parties. All other net position not reported as restricted or net investment in capital assets is reported as unrestricted.

**Fund Balance Classifications** – Restrictions of the fund balance indicate portions that are legally or contractually segregated for a specific future use. Nonspendable portions of the fund balance are those amounts that cannot be spent because they are in a nonspendable form or because they are legally or contractually required to be maintained intact. Committed portions represent amounts that can only be used for specific purposes pursuant to formal action (i.e. board approval) of the reporting entity’s governing body. Assigned portions represent amounts that are constrained by the government’s intent to be used for a specific purpose. Remaining fund balances are reported as unassigned. When expenditures are incurred that qualify for either restricted or unrestricted resources, the City first utilizes restricted resources. When expenditures are incurred that qualify for either committed or assigned or unassigned resources, the City first utilizes committed resources then assigned resources before using unassigned resources.

**Property Taxes** – The City is responsible for levying property taxes, but the taxes are collected by the respective county. Taxes are levied by the second Monday in September for each calendar year. Taxes are

**CITY OF KAMIAH, IDAHO**  
Notes to Financial Statements

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due in two installments – December 20<sup>th</sup> and June 20<sup>th</sup>. A lien is filed on real property three years from the date of delinquency.

**Contingent Liabilities** – Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

**Interfund Activity** – Interfund activity is reported either as loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

**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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Custodial Credit Risk** – The City maintains its cash at insured financial institutions. Periodically, balances may exceed federally insured limits. The City does not have a formal policy concerning custodial credit risk.

**Risk Management** – The City is exposed to various risks related to its operations. Insurance is utilized to the extent practical to minimize these risks.

**Subsequent Events** – Subsequent events were evaluated through the date of the auditor’s report, which is the date the financial statements were available to be issued.

**B. CASH AND INVESTMENTS**

Cash and investments consist of the following at year end:

|   | <b>Governmental<br/>Funds</b> | <b>Proprietary<br/>Funds</b> | <b>Total</b>       |
|---|-------------------------------|------------------------------|--------------------|
| Cash - Deposits                           | \$120,761                     | \$49,309                     | \$170,070          |
| Investments - Local Gov't Investment Pool | 335,057                       | 1,571,159                    | 1,906,216          |
| <b>Total</b>                              | <b>\$455,818</b>              | <b>\$1,620,468</b>           | <b>\$2,076,286</b> |

**Deposits** – At year end, the carrying amounts of the City's deposits were \$170,070 and the bank balances were \$127,650. The bank balances were insured.

Considerations for interest rate risk and credit rate risk relating to investments are shown below.

**CITY OF KAMIAH, IDAHO**  
Notes to Financial Statements

**Interest rate risk:**

|                         | <b>Investment Maturity<br/>Schedule (In Years)</b> |                    |
|-------------------------|--|--------------------|
| Investment Type         | Less Than 1  | Total              |
| Local Gov't Invest Pool | \$1,906,216  | \$1,906,216        |
| <b>Total</b>            | <b>\$1,906,216</b>                                 | <b>\$1,906,216</b> |

**Credit rate risk:**

|                         | <b>Investment Rating Schedule</b> |                    |
|-------------------------|-----------------------------------|--------------------|
| Investment Type         | Not Rated                         | Total              |
| Local Gov't Invest Pool | \$1,906,216                       | \$1,906,216        |
| <b>Total</b>            | <b>\$1,906,216</b>                | <b>\$1,906,216</b> |

**Investments** – State statutes authorize government entities to invest in certain bonds, notes, accounts, investment pools, and other obligations of the state, U.S. Treasury, and U.S. corporations pursuant to Idaho Code 67-1210 and 67-1210A. These statutes are designed to help minimize the custodial risk that deposits may not be returned in the event of the failure of the issuer or other counterparty, interest rate risk resulting from fair value losses arising from rising interest rates, or credit risks that an issuer or other counterparty will not fulfill its obligations. The City's investment policy complies with state statutes.

The local government investment pool is managed by the state treasurer's office and is invested in accordance with state statutes and regulations. The local government investment pool is not registered with the SEC and is a short-term investment pool. The state treasurer's office investment policy for the local government investment pool includes the following three primary objectives in order of priority: safety, liquidity, and yield. Participants have overnight availability to their funds, up to \$10 million. Withdrawals of \$10 million or more require three business days' notification. More information on the local governmental investment pool including regulatory information, ratings, and risk information can be found at [www.sto.idaho.gov](http://www.sto.idaho.gov).

**Restricted Cash & Investments** – Restricted cash and investments at year end is cash and investments set aside because their use is limited by bond covenants. Per water and sewer revenue bond covenants, the City is required to restrict cash and investments within its water and sewer funds at a rate of one-tenth of an annual payment per year until one annual bond payment has been accumulated. Management is not aware of any violations of these covenants.

**CITY OF KAMIAH, IDAHO**  
Notes to Financial Statements

**C. CAPITAL ASSETS**

A summary of capital assets for the year is as follows:

| <u>Governmental Activities</u> | <u>Beginning<br/>Balance</u> | <u>Increases</u>  | <u>Decreases</u> | <u>Ending<br/>Balance</u> |
|--------------------------------|------------------------------|-------------------|------------------|---------------------------|
| Nondepreciable Capital Assets  |                              |                   |                  |                           |
| Land                           | \$376,935                    |                   |                  | \$376,935                 |
| <b>Total</b>                   | <u>376,935</u>               | <u>\$0</u>        | <u>\$0</u>       | <u>376,935</u>            |
| Depreciable Capital Assets     |                              |                   |                  |                           |
| Buildings                      | 500,379                      |                   |                  | 500,379                   |
| Equipment                      | 848,220                      |                   |                  | 848,220                   |
| Improvements                   | 3,324,969                    |                   |                  | 3,324,969                 |
| Subtotal                       | <u>4,673,568</u>             | <u>0</u>          | <u>0</u>         | <u>4,673,568</u>          |
| Accumulated Depreciation       |                              |                   |                  |                           |
| Buildings                      | 364,142                      | 5,618             |                  | 369,760                   |
| Equipment                      | 677,192                      | 37,966            |                  | 715,158                   |
| Improvements                   | 3,005,272                    | 55,172            |                  | 3,060,444                 |
| Subtotal                       | <u>4,046,606</u>             | <u>98,756</u>     | <u>0</u>         | <u>4,145,362</u>          |
| <b>Total</b>                   | <u>626,962</u>               | <u>(98,756)</u>   | <u>0</u>         | <u>528,206</u>            |
| <b>Net Capital Assets</b>      | <u>\$1,003,897</u>           | <u>(\$98,756)</u> | <u>\$0</u>       | <u>\$905,141</u>          |

Depreciation expense of \$98,756 was charged to the capital assets program.

**CITY OF KAMIAH, IDAHO**  
Notes to Financial Statements

| <u>Business-Type Activities</u>      | <u>Beginning<br/>Balance</u> | <u>Increases</u>   | <u>Decreases</u> | <u>Ending<br/>Balance</u> |
|--------------------------------------|------------------------------|--------------------|------------------|---------------------------|
| <b>Nondepreciable Capital Assets</b> |                              |                    |                  |                           |
| Land                                 | \$117,748                    |                    |                  | \$117,748                 |
| Construction in Progress             | 0                            |                    |                  | 0                         |
| <b>Total</b>                         | <u>117,748</u>               | <u>\$0</u>         | <u>\$0</u>       | <u>117,748</u>            |
| <b>Depreciable Capital Assets</b>    |                              |                    |                  |                           |
| Buildings                            | 776,302                      |                    |                  | 776,302                   |
| Equipment                            | 3,041,605                    | 233,190            |                  | 3,274,795                 |
| Improvements                         | 9,317,057                    |                    |                  | 9,317,057                 |
| Subtotal                             | <u>13,134,964</u>            | <u>233,190</u>     | <u>0</u>         | <u>13,368,154</u>         |
| <b>Accumulated Depreciation</b>      |                              |                    |                  |                           |
| Buildings                            | 257,257                      | 15,526             |                  | 272,783                   |
| Equipment                            | 2,626,161                    | 109,787            |                  | 2,735,948                 |
| Improvements                         | 2,839,352                    | 275,786            |                  | 3,115,138                 |
| Subtotal                             | <u>5,722,770</u>             | <u>401,099</u>     | <u>0</u>         | <u>6,123,869</u>          |
| <b>Total</b>                         | <u>7,412,194</u>             | <u>(167,909)</u>   | <u>0</u>         | <u>7,244,285</u>          |
| <b>Net Capital Assets</b>            | <u>\$7,529,942</u>           | <u>(\$167,909)</u> | <u>\$0</u>       | <u>\$7,362,033</u>        |

Depreciation expense of \$78,084, \$235,645, and \$87,370 was charged to the ambulance, water, and sewer services programs, respectively.

**D. LONG-TERM DEBT & OBLIGATIONS**

***Business-Type Activities:***

**Capital Leases** – The City leases equipment that qualifies as capital lease obligations. The equipment cost \$311,414 and at year end, related accumulated depreciation was \$38,964.

Capital leases due in annual installments of \$46,443 with interest at 3.95% - 4.13% through 2025/26, secured by equipment, paid through the ambulance and sewer funds

|              |                  |
|--------------|------------------|
|              | <u>\$212,977</u> |
| <b>Total</b> | <u>\$212,977</u> |

**CITY OF KAMIAH, IDAHO**  
Notes to Financial Statements

Maturities on the capital leases are estimated as follows:

| <u>Year Ended</u>                                     |                                |
|---|--------------------------------|
| 9/30/20   | \$12,056                       |
| 9/30/21   | 46,443                         |
| 9/30/22   | 46,443                         |
| 9/30/23   | 34,387                         |
| 9/30/24   | 34,387                         |
| 9/30/25-26  | <u>68,774</u>                  |
| Total Future Minimum Lease Payments                   | 242,490                        |
| Amount Representing Interest                          | <u>(29,513)</u>                |
| <b>Present Value of Future Minimum Lease Payments</b> | <b><u><u>\$212,977</u></u></b> |

**Bonded Debt** – At year end, the City’s bonded debt was as follows:

|   | <u>Outstanding</u>               |
|---|----------------------------------|
| 2003 - \$2,265,000 - sewer revenue bonds for capital improvements due in annual installments of \$134,994 with interest at 4.25% through 2032/33, secured by future sewer revenue fees, paid through the sewer fund | \$1,402,579                      |
| 2013 - \$2,100,000 - water revenue bonds for capital improvements due in annual installments of \$92,169 with interest at 1.875% through 2042/43, secured by future water revenue fees, paid through the water fund | <u>1,773,921</u>                 |
| <b>Total</b>  | <b><u><u>\$3,176,500</u></u></b> |

Maturities on the bonds are estimated as follows:

| <u>Year Ended</u> | <u>Principal</u>                 | <u>Interest</u>                |
|-------------------|----------------------------------|--------------------------------|
| 9/30/20           | \$134,404                        | \$92,759                       |
| 9/30/21           | 138,713                          | 88,450                         |
| 9/30/22           | 143,181                          | 83,982                         |
| 9/30/23           | 147,811                          | 79,352                         |
| 9/30/24           | 152,611                          | 74,552                         |
| 9/30/25-29        | 841,474                          | 294,341                        |
| 9/30/30-34        | 855,856                          | 144,964                        |
| 9/30/35-39        | 404,818                          | 56,027                         |
| 9/30/40-43        | <u>357,632</u>                   | <u>16,954</u>                  |
| <b>Total</b>      | <b><u><u>\$3,176,500</u></u></b> | <b><u><u>\$931,381</u></u></b> |

**CITY OF KAMIAH, IDAHO**  
Notes to Financial Statements

Changes in long-term debt and obligations are as follows:

| <u>Description</u>        | <u>Beginning<br/>Balance</u> | <u>Increases</u>        | <u>Decreases</u>        | <u>Ending<br/>Balance</u> | <u>Due Within<br/>One Year</u> |
|---------------------------|------------------------------|-------------------------|-------------------------|---------------------------|--------------------------------|
| <i>Governmental Act.</i>  |                              |                         |                         |                           |                                |
| Comp. Absences            | \$2,983                      |                         | \$2,983                 | \$0                       |                                |
| <b>Subtotal</b>           | <u>2,983</u>                 | <u>\$0</u>              | <u>2,983</u>            | <u>0</u>                  | <u>\$0</u>                     |
| <i>Business-Type Act.</i> |                              |                         |                         |                           |                                |
| Capital Lease             | 43,739                       | 203,190                 | 33,952                  | 212,977                   | 10,711                         |
| 2003 SR Bond #92-03       | 1,474,891                    |                         | 72,312                  | 1,402,579                 | 75,385                         |
| 2013 WR Bond #91-04       | 1,825,944                    |                         | 52,023                  | 1,773,921                 | 59,019                         |
| Comp. Absences            | 8,531                        | 1,390                   |                         | 9,921                     | 9,921                          |
| <b>Subtotal</b>           | <u>3,353,105</u>             | <u>204,580</u>          | <u>158,287</u>          | <u>3,399,398</u>          | <u>155,036</u>                 |
| <b>Total</b>              | <u><u>\$3,356,088</u></u>    | <u><u>\$204,580</u></u> | <u><u>\$161,270</u></u> | <u><u>\$3,399,398</u></u> | <u><u>\$155,036</u></u>        |

Interest and related costs during the year amounted to \$12,490, \$33,774, and \$62,456 and were charged to the debt service, water services, and sewer services programs, respectively. Compensated absences are normally paid through the general, water, sewer, or sanitation funds.

**E. PENSION PLAN**

*Plan Description*

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

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

*Pension Benefits*

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

The benefit payments for the Base Plan are calculated using a benefit formula adopted by the Idaho Legislature. The Base Plan is required to provide a 1% minimum cost of living increase per year provided

**CITY OF KAMIAH, IDAHO**  
Notes to Financial Statements

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 72% for police and firefighters. As of June 30, 2019 it was 6.79% for general employees and 8.36% for police and firefighters. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.32% for general employees and 11.66% for police and firefighters. The City's contributions were \$39,263 for the year ended September 30, 2019.

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

At September 30, 2019, the City reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, 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, 2019, the City's proportion was 0.0111713 percent.

For the year ended September 30, 2019, the City recognized pension revenue (expense) of \$14,851. At September 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|  | <b>Deferred<br/>Outflows of<br/>Resources</b> | <b>Deferred<br/>Inflows of<br/>Resources</b> |
|--|---|--|
| Differences between expected and actual experience                               | \$11,851                                      | \$15,029                                     |
| Changes in assumptions or other inputs   | 7,092   |  |
| Net difference between projected and actual earnings on pension plan investments |   | 43,440                                       |
| Employer contributions subsequent to the measurement date                        | 9,816   |  |
| <b>Total</b>   | <b>\$28,759</b>                               | <b>\$58,469</b>                              |

\$9,816 reported as deferred outflows of resources related to pensions resulting from City contributions made subsequent to the measurement date will be recognized as an addition to the pension expense or reduction of the pension revenue in the year ending September 30, 2020.

**CITY OF KAMIAH, IDAHO**  
Notes to Financial Statements

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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, 2018 the beginning of the measurement period ended June 30, 2018 is 4.8 and 4.8 for the measurement period June 30, 2019.

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

| <b>Year<br/>Ended</b> |                          |
|-----------------------|--------------------------|
| 9/30/20               | (\$4,592)                |
| 9/30/21               | (19,672)                 |
| 9/30/22               | (9,583)                  |
| 9/30/23               | (5,679)                  |
| <b>Total</b>          | <u><u>(\$39,526)</u></u> |

*Actuarial Assumptions*

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

The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

|                            |                                   |
|----------------------------|-----------------------------------|
| Inflation                  | 3.00%                             |
| Salary increases           | 3.75%                             |
| Salary inflation           | 3.75%                             |
| Investment rate of return  | 7.05%, net of investment expenses |
| Cost-of-living adjustments | 1%                                |

Mortality rates were based on the RP – 2000 combined table for healthy males or females as appropriate with the following offsets:

- Set back 3 years for teachers
- No offset for male fire and police
- Forward one year for female fire and police
- Set back one year for all general employees and all beneficiaries

An experience study was performed for the period July 1, 2013 through June 30, 2017 which reviewed all economic and demographic assumptions other than mortality. The total pension liability as of June 30, 2019 is based on the results of an actuarial valuation date of July 1, 2019.

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

**CITY OF KAMIAH, IDAHO**  
Notes to Financial Statements

(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.

**Capital Market Assumptions**

| <b>Asset Class</b>                                       | <b>Target Allocation</b> | <b>Long-Term Expected Nominal Rate of Return (Arithmetic)</b> | <b>Long-Term Expected Real Rate of Return (Arithmetic)</b> |
|--|--------------------------|---|--|
| Core Fixed Income  | 30.00%                   | 3.05%   | 0.80%  |
| Broad US Equities  | 55.00%                   | 8.30%   | 6.05%  |
| Developed Foreign Equities                               | 15.00%                   | 8.45%   | 6.20%  |
| Assumed Inflation - Mean                                 |                          | 2.25%   | 2.25%  |
| Assumed Inflation - Standard Deviation                   |                          | 1.50%   | 1.50%  |
| Portfolio Arithmetic Mean Return                         |                          | 6.75%   | 4.50%  |
| Portfolio Standard Deviation                             |                          | 12.54%  | 12.54%   |
| Portfolio Long-Term (Geometric) Expected Rate of Return  |                          | 6.13%   | 3.77%  |
| Assumed Investment Expenses                              |                          | 0.40%   | 0.40%  |
| Portfolio Long-Term (Geometric) Expected Rate of Return* |                          | 5.73%   | 3.37%  |
| Portfolio Long-Term Expected Real Rate of Return*        |                          |   | 4.19%  |
| Portfolio Standard Deviation                             |                          |   | 14.16%   |
| <b>Valuation Assumptions Chosen by PERSI Board</b>       |                          |   |  |
| Long-Term Expected Real Rate of Return*                  |                          |   | 4.05%  |
| Assumed Inflation  |                          |   | 3.00%  |
| <b>Long-Term Expected Nominal Rate of Return*</b>        |                          |   | <b>7.05%</b>   |
| *Net of Investment Expenses                              |                          |   |  |

*Discount Rate*

**CITY OF KAMIAH, IDAHO**  
Notes to Financial Statements

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 City's proportionate share of the net pension liability to changes in the discount rate.*

The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.05 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.05 percent) or 1-percentage-point higher (8.05 percent) than the current rate:

|   | <b>1% Decrease<br/>(6.05%)</b> | <b>Current<br/>Discount Rate<br/>(7.05%)</b> | <b>1% Increase<br/>(8.05%)</b> |
|---|--------------------------------|--|--------------------------------|
| City's proportionate share of the net pension liability (asset) | \$385,151                      | \$127,518                                    | (\$85,538)                     |

*Pension plan fiduciary net position*

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

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

**F. INTERFUND BALANCES AND TRANSFERS**

Interfund balances at year end consist of the following:

|                    | <b>Due From Fund</b> |                 |
|--------------------|----------------------|-----------------|
| <b>Due To Fund</b> | <b>General</b>       | <b>Total</b>    |
| Ambulance          | \$19,290             | \$19,290        |
| <b>Total</b>       | <b>\$19,290</b>      | <b>\$19,290</b> |

This interfund balance was the result of the general fund borrowing money from the ambulance fund to purchase a fire truck. The general fund is paying the ambulance fund back for the borrowed funds over a period of seven years with final payoff expected in 2020/21.

**CITY OF KAMIAH, IDAHO**  
 Budgetary Comparison Schedule -  
 General and Major Special Revenue Funds  
 Year Ended September 30, 2019

| <b>General Fund</b>  | <b>Budgeted Amounts<br/>(GAAP Basis)</b> |                | <b>Actual<br/>Amounts</b> | <b>Final Budget<br/>Variance<br/>Positive<br/>(Negative)</b> |
|--|--|----------------|---------------------------|--|
|  | <b>Original</b>                          | <b>Final</b>   |                           |  |
| <b>Revenues</b>  |  |                |                           |  |
| Taxes  | \$193,666                                | \$193,666      | \$202,232                 | \$8,566  |
| Intergovernmental Revenue                                    | 259,034                                  | 259,034        | 139,171                   | (119,863)  |
| Licenses, Fees, & Charges                                    | 92,747                                   | 92,747         | 159,616                   | 66,869   |
| Miscellaneous  | 2,000                                    | 2,000          | 5,512                     | 3,512  |
| <b>Total Revenues</b>  | <u>547,447</u>                           | <u>547,447</u> | <u>506,531</u>            | <u>(40,916)</u>  |
| <b>Expenditures</b>  |  |                |                           |  |
| Current Expenditures   |  |                |                           |  |
| General Government   | 97,251                                   | 117,251        | 106,479                   | 10,772   |
| Public Safety  | 504,509                                  | 554,509        | 399,472                   | 155,037  |
| Highways & Streets   | 0  | 0              | 0                         | 0  |
| Airport  | 19,223                                   | 19,223         | 15,670                    | 3,553  |
| Culture & Recreation   | 3,900                                    | 3,900          | 7,073                     | (3,173)  |
| Capital Outlay   | 0  | 0              | 0                         | 0  |
| Debt Service   | 1,928                                    | 1,928          | 1,928                     | 0  |
| <b>Total Expenditures</b>                                    | <u>626,811</u>                           | <u>696,811</u> | <u>530,622</u>            | <u>166,189</u> *   |
| <b>Excess (Deficiency) of Revenues<br/>Over Expenditures</b> |  |                |                           |  |
|  | (79,364)                                 | (149,364)      | (24,091)                  | 125,273  |
| <b>Other Financing Sources (Uses)</b>                        |  |                |                           |  |
| Transfers In   | 0  | 0              | 0                         | 0  |
| Transfers Out  | 0  | 0              | 0                         | 0  |
| <b>Total Other Financing Sources (Uses)</b>                  | <u>0</u>                                 | <u>0</u>       | <u>0</u>                  | <u>0</u>   |
| <b>Net Change in Fund Balances</b>                           | (79,364)                                 | (149,364)      | (24,091)                  | 125,273  |
| <b>Fund Balances - Beginning</b>                             | 79,364                                   | 149,364        | 188,247                   | 38,883   |
| <b>Fund Balances - Ending</b>                                | <u>\$0</u>                               | <u>\$0</u>     | <u>\$164,156</u>          | <u>\$164,156</u>   |
| <i>*Total expenditures (over) under appropriations are:</i>  |  |                |                           | <u>\$166,189</u>   |

**CITY OF KAMIAH, IDAHO**  
 Budgetary Comparison Schedule -  
 General and Major Special Revenue Funds  
 Year Ended September 30, 2019

| <b>Street Fund</b>                          | <b>Budgeted Amounts</b> |                | <b>Actual</b>    | <b>Final Budget</b> |
|---|-------------------------|----------------|------------------|---------------------|
|   | <b>(GAAP Basis)</b>     |                |                  |                     |
|   | <b>Original</b>         | <b>Final</b>   |                  | <b>Positive</b>     |
|   |                         |                |                  | <b>(Negative)</b>   |
| <b>Revenues</b>                             |                         |                |                  |                     |
| Taxes                                       | \$19,701                | \$19,701       | \$14,686         | (\$5,015)           |
| Intergovernmental Revenue                   | 80,038                  | 80,038         | 71,137           | (8,901)             |
| Licenses, Fees, & Charges                   | 24,500                  | 24,500         | 29,079           | 4,579               |
| Miscellaneous                               | 1,550                   | 1,550          | 5,084            | 3,534               |
| <b>Total Revenues</b>                       | <u>125,789</u>          | <u>125,789</u> | <u>119,986</u>   | <u>(5,803)</u>      |
| <b>Expenditures</b>                         |                         |                |                  |                     |
| Current Expenditures                        |                         |                |                  |                     |
| General Government                          | 0                       | 0              | 0                | 0                   |
| Public Safety                               | 0                       | 0              | 0                | 0                   |
| Highways & Streets                          | 125,789                 | 125,789        | 123,597          | 2,192               |
| Airport                                     | 0                       | 0              | 0                | 0                   |
| Culture & Recreation                        | 0                       | 0              | 0                | 0                   |
| Capital Outlay                              | 0                       | 0              | 0                | 0                   |
| Debt Service                                | 0                       | 0              | 0                | 0                   |
| <b>Total Expenditures</b>                   | <u>125,789</u>          | <u>125,789</u> | <u>123,597</u>   | <u>2,192</u> *      |
| <b>Excess (Deficiency) of Revenues</b>      |                         |                |                  |                     |
| <b>Over Expenditures</b>                    | 0                       | 0              | (3,611)          | (3,611)             |
| <b>Other Financing Sources (Uses)</b>       |                         |                |                  |                     |
| Transfers In                                | 0                       | 0              | 0                | 0                   |
| Transfers Out                               | 0                       | 0              | 0                | 0                   |
| <b>Total Other Financing Sources (Uses)</b> | <u>0</u>                | <u>0</u>       | <u>0</u>         | <u>0</u>            |
| <b>Net Change in Fund Balances</b>          | 0                       | 0              | (3,611)          | (3,611)             |
| <b>Fund Balances - Beginning</b>            | 0                       | 0              | 239,421          | 239,421             |
| <b>Fund Balances - Ending</b>               | <u>\$0</u>              | <u>\$0</u>     | <u>\$235,810</u> | <u>\$235,810</u>    |
|   |                         |                |                  | <u>\$2,192</u>      |

\*Total expenditures (over) under appropriations are:

**CITY OF KAMIAH, IDAHO**  
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> |
|---|-------------|-------------|-------------|-------------|-------------|
| City's portion of the net pension liability   | 0.0111713%  | 0.0152455%  | 0.0148163%  | 0.0143475%  | 0.0131507%  |
| City's proportionate share of the net pension liability                                       | \$127,518   | \$224,874   | \$232,887   | \$290,846   | \$173,174   |
| City's covered payroll  | \$379,426   | \$490,504   | \$460,186   | \$437,580   | \$376,749   |
| City's proportional share of the net pension liability as a percentage of its covered payroll | 33.61%      | 45.85%      | 50.61%      | 66.47%      | 45.97%      |
| Plan fiduciary net position as a percentage of the total pension liability                    | 93.79%      | 91.69%      | 90.68%      | 87.26%      | 91.38%      |

\*GASB 68 requires ten years of information to be presented in this table. However, until a 10-year trend is compiled, only those years for which information is available will be presented.

Data reported is measured as of June 30.

**CITY OF KAMIAH, IDAHO**  
**Schedule of Employer 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 contribution                                  | \$39,263         | \$53,673         | \$45,582         | \$49,534         | \$42,648         |
| Contributions in relation to the statutorily required contribution | \$39,263         | \$53,673         | \$45,582         | \$49,534         | \$42,648         |
| Contribution deficiency (excess)                                   | <u>\$0</u>       | <u>\$0</u>       | <u>\$0</u>       | <u>\$0</u>       | <u>\$0</u>       |
| City's covered payroll   | <u>\$342,344</u> | <u>\$474,143</u> | <u>\$402,668</u> | <u>\$437,580</u> | <u>\$376,749</u> |
| Contributions as a percentage of covered payroll                   | 11.47%           | 11.32%           | 11.32%           | 11.32%           | 11.32%           |

\*GASB 68 requires ten years of information to be presented in this table. However, until a 10-year trend is compiled, only those years for which information is available will be presented.

Data reported is measured as of each year's fiscal year end.

**CITY OF KAMIAH, IDAHO**  
Combining Balance Sheet - Nonmajor Governmental Funds  
September 30, 2019

|  | <b>Special Revenue Funds</b> |                 |
|--|------------------------------|-----------------|
|  | <b>Parks &amp; Pool</b>      | <b>Total</b>    |
| <b>Assets</b>  |                              |                 |
| Cash & Investments   | \$66,099                     | \$66,099        |
| Receivables:   |                              |                 |
| Taxes  | 1,129                        | 1,129           |
| Intergovernmental  | 3,454                        | 3,454           |
| Accounts   |                              | 0               |
| Due From Other Funds   |                              | 0               |
| <b>Total Assets</b>  | <b>\$70,682</b>              | <b>\$70,682</b> |
| <b>Liabilities</b>   |                              |                 |
| Accounts Payable & Accrued Expenses  |                              | \$0             |
| Due To Other Funds   |                              | 0               |
| Unspent Grant Revenue  |                              | 0               |
| <b>Total Liabilities</b>   | <b>\$0</b>                   | <b>0</b>        |
| <b>Deferred Inflows of Resources</b>   |                              |                 |
| Unavailable Tax Revenues   | 926                          | 926             |
| <b>Total Deferred Inflows of Resources</b>                                   | <b>926</b>                   | <b>926</b>      |
| <b>Fund Balances</b>   |                              |                 |
| Restricted - Special Programs  | 69,756                       | 69,756          |
| Unassigned   |                              | 0               |
| <b>Total Fund Balances</b>   | <b>69,756</b>                | <b>69,756</b>   |
| <b>Total Liabilities and Deferred Inflows of Resources and Fund Balances</b> | <b>\$70,682</b>              | <b>\$70,682</b> |

**CITY OF KAMIAH, IDAHO**  
Combining Statement of Revenues, Expenditures, and Changes in  
Fund Balances - Nonmajor Governmental Funds  
Year Ended September 30, 2019

|  | <b>Special Revenue Funds</b> |                 |
|--|------------------------------|-----------------|
|  | <b>Parks &amp; Pool</b>      | <b>Total</b>    |
| <b>Revenues</b>  |                              |                 |
| Taxes  | \$6,546                      | \$6,546         |
| Intergovernmental Revenue                                    | 4,140                        | 4,140           |
| Licenses, Fees, & Charges                                    | 11,497                       | 11,497          |
| Miscellaneous  | 3,710                        | 3,710           |
| <b>Total Revenues</b>  | <b>25,893</b>                | <b>25,893</b>   |
| <b>Expenditures</b>  |                              |                 |
| Current Expenditures   |                              |                 |
| General Government   |                              | 0               |
| Public Safety  |                              | 0               |
| Highways & Streets   |                              | 0               |
| Airport  |                              | 0               |
| Culture & Recreation   | 25,980                       | 25,980          |
| Capital Outlay   |                              | 0               |
| Debt Service   |                              | 0               |
| <b>Total Expenditures</b>                                    | <b>25,980</b>                | <b>25,980</b>   |
| <b>Excess (Deficiency) of Revenues<br/>Over Expenditures</b> | (87)                         | (87)            |
| <b>Other Financing Sources (Uses)</b>                        |                              |                 |
| Transfers In   |                              | 0               |
| Transfers Out  |                              | 0               |
| <b>Total Other Financing Sources (Uses)</b>                  | <b>0</b>                     | <b>0</b>        |
| <b>Net Change in Fund Balances</b>                           | (87)                         | (87)            |
| <b>Fund Balances - Beginning</b>                             | 69,843                       | 69,843          |
| <b>Fund Balances - Ending</b>                                | <b>\$69,756</b>              | <b>\$69,756</b> |



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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***

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, each major fund, and the aggregate remaining fund information of the City of Kamiah, Idaho (the City), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements, and have issued our report thereon dated January 20, 2020.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City'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’s internal control. Accordingly, we do not express an opinion on the effectiveness of the City’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 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 over financial reporting 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’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The

results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or compliance. This 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. Accordingly, this communication is not suitable for any other purpose.

### ***Quest CPAs PLLC***

Payette, Idaho  
January 20, 2020