

CITY OF EMMETT, IDAHO

Report on Audited
Basic
Financial Statements
and
Supplemental Information

For the Year Ended September 30, 2021

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Independent Auditor's Report

To the Honorable Mayor and
City Council
City of Emmett, Idaho

Report on Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Emmett, Idaho's basic financial statements as listed in the table of contents.

Basis for Opinions

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

Responsibility of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Emmett, Idaho's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Emmett, Idaho's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Emmett, Idaho's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The supplemental schedules of revenues by source and expenditures by object for the General fund, and the Schedule of Expenditures of Federal Awards, as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, Schedule of Required Supplemental Information 36 through 40 presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Supplementary Information

The schedules of revenues by source, expenditures by object, and the combining nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of revenues by source, expenditures by object, and the combining 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 March 22, 2022, 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, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Zwyzart John & Associates, PLLC

Nampa, Idaho
March 22, 2022

City of Emmett, Idaho
Statement of Net Position
September 30, 2021

	Governmental Activities	Business-Type Activities	Total
Assets			
Current Assets			
Cash and Cash Equivalents	\$ 4,550,896	\$ 9,332,353	\$ 13,883,249
Accounts Receivable, Net	4,695	413,674	418,369
Taxes Receivable, Net	78,013	1,600	79,613
Due from Other Governments	240,559	-	240,559
Prepaid Items	34,495	34,464	68,959
Total Current Assets	4,908,658	9,782,091	14,690,749
Long-Term Assets			
Restricted Cash	-	44,330	44,330
Net Pension Asset	25,699	21,028	46,727
Capital Assets			
Land and Construction in Progress	259,742	579,674	839,416
Buildings, Net	491,560	133,087	624,647
Equipment, Net	390,073	401,096	791,169
Improvements, Net	1,669,844	16,808,993	18,478,837
Total Net Capital Assets	2,811,219	17,922,850	20,734,069
Total Long-Term Assets	2,836,918	17,988,208	20,825,126
Total Assets	7,745,576	27,770,299	35,515,875
Deferred Outflows			
Pension Related Items	375,414	307,157	682,571
Total Deferred Outflows	375,414	307,157	682,571
Liabilities			
Current Liabilities			
Accounts Payable	75,163	200	75,363
Salaries Payable	103,329	55,361	158,690
Current Portion of Municipal Lease	-	87,403	87,403
Current Portion of Bonds Payable	-	420,000	420,000
Compensated Absences	23,089	17,215	40,304
Total Current Liabilities	201,581	580,179	781,760
Long-Term Liabilities			
Bonds Payable	-	10,952,057	10,952,057
Total Long-Term Liabilities	-	10,952,057	10,952,057
Total Liabilities	201,581	11,532,236	11,733,817
Deferred Inflows			
Pension Related Items	836,508	684,414	1,520,922
Total Deferred Inflows	836,508	684,414	1,520,922
Net Position			
Net Investment in Capital Assets	2,836,918	6,528,748	9,365,666
Restricted for:			
Debt Service	-	44,330	44,330
Other Purposes	621,358	-	621,358
Unrestricted Surplus	3,624,625	9,287,728	12,912,353
Total Net Position	\$ 7,082,901	\$ 15,860,806	\$ 22,943,707

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

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

	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government:							
Governmental Activities:							
General Government	\$ 1,362,351	\$ 395,866	\$ 758,811	\$ -	\$ (207,674)	\$ -	\$ (207,674)
Public Safety	1,536,243	-	17,036	-	(1,519,207)	-	(1,519,207)
Roads and Streets	536,994	48,954	11,744	-	(476,296)	-	(476,296)
Library	221,039	-	-	-	(221,039)	-	(221,039)
Total Governmental Activities	3,656,627	444,820	787,591	-	(2,424,216)	-	(2,424,216)
Business-Type Activities:							
Water	1,834,599	2,298,494	-	-	-	463,895	463,895
Sewer	2,921,748	2,760,726	-	-	-	(161,022)	(161,022)
Sanitation	669,043	689,734	-	-	-	20,691	20,691
Other Activities	111,450	175,643	-	-	-	64,193	64,193
Total Business-Type Activities	5,536,840	5,924,597	-	-	-	387,757	387,757
Total Primary Government	\$ 9,193,467	\$ 6,369,417	\$ 787,591	\$ -	(2,424,216)	387,757	(2,036,459)
General Revenues:							
Property Taxes					1,916,595	38,378	1,954,973
Intergovernmental					2,313,511	-	2,313,511
Interest					7,751	24,557	32,308
Other					218,303	-	218,303
Transfers					82,874	(82,874)	-
Total General Revenues and Special Items					4,539,034	(19,939)	4,519,095
Change in Net Position					2,114,818	367,818	2,482,636
Net Position, Beginning of Year					4,834,750	15,492,988	20,461,071
Prior Period Adjustment					133,333	-	-
Net Position, Beginning of Year					4,968,083	15,492,988	20,461,071
Net Position, End of Year					\$ 7,082,901	\$ 15,860,806	\$ 22,943,707

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

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

	General	Roads and Streets	American Rescue Plan Act	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and Cash Equivalents	\$ 3,195,292	\$ 412,551	\$ 730,376	\$ 212,677	\$ 4,550,896
Receivables, Net					
Property Taxes	66,660	3,344	-	8,009	78,013
Accounts	-	4,695	-	-	4,695
Due from Other Governments	240,559	-	-	-	240,559
Prepaid Items	29,341	3,773	-	1,381	34,495
Total Assets	\$ 3,531,852	\$ 424,363	\$ 730,376	\$ 222,067	\$ 4,908,658
Liabilities, Deferred Inflows, and Fund Balances					
Liabilities					
Accounts Payable	\$ 2,971	\$ 5	\$ 71,615	\$ 572	\$ 75,163
Wages Payable	87,681	8,636	-	7,012	103,329
Total Liabilities	90,652	8,641	71,615	7,584	178,492
Deferred Inflows					
Unearned Revenue - Property Tax	51,945	2,606	-	6,241	60,792
Total Deferred Inflows	51,945	2,606	-	6,241	60,792
Fund Balances					
Nonspendable	29,341	3,773	-	1,381	34,495
Restricted	-	409,343	658,761	206,861	1,274,965
Unassigned	3,359,914	-	-	-	3,359,914
Total Fund Balances	3,389,255	413,116	658,761	208,242	4,669,374
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 3,531,852	\$ 424,363	\$ 730,376	\$ 222,067	\$ 4,908,658

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

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

Total Fund Balances - Governmental Funds \$ 4,669,374

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

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

Land and Construction in Progress	\$ 259,742	
Buildings, Net of \$876,102 Accumulated Depreciation	491,560	
Equipment, Net of \$1,835,376 Accumulated Depreciation	390,073	
Improvements, Net of \$1,906,045 Accumulated Depreciation	<u>1,669,844</u>	
		2,811,219

Property taxes receivable will be collected this year, but are not available soon enough to pay for current period's expenditures, and, therefore, are are unearned in the funds. 60,792

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

Compensated Absences (23,089)

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

Net Pension Asset	\$ 25,699	
Pension Related Deferred Inflows	(836,508)	
Pension Related Deferred Outflows	<u>375,414</u>	
		<u>(435,395)</u>

Net Position of Governmental Activities \$ 7,082,901

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

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

	General	Roads and Streets	American Rescue Plan Act	Other Governmental Funds	Total Governmental Funds
Revenues					
Property Taxes	\$ 1,603,165	\$ 125,669	\$ -	\$ 192,542	\$ 1,921,376
Licenses and Permits	395,866	48,954	-	-	444,820
Intergovernmental	1,908,242	423,674	758,811	10,375	3,101,102
Interest	7,751	-	-	-	7,751
Other	101,443	67,721	-	49,139	218,303
Total Revenues	<u>4,016,467</u>	<u>666,018</u>	<u>758,811</u>	<u>252,056</u>	<u>5,693,352</u>
Expenditures					
Current:					
General Government	1,474,866	-	100,050	-	1,574,916
Public Safety	1,587,681	-	-	-	1,587,681
Roads and Streets	8,282	400,549	-	-	408,831
Library	-	-	-	231,435	231,435
Capital Outlay	7,997	-	-	-	7,997
Total Expenditures	<u>3,078,826</u>	<u>400,549</u>	<u>100,050</u>	<u>231,435</u>	<u>3,810,860</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>937,641</u>	<u>265,469</u>	<u>658,761</u>	<u>20,621</u>	<u>1,882,492</u>
Other Financing Resources (Uses)					
Transfers In	62,874	20,000	-	-	82,874
Total Other Financing Sources (Uses)	<u>62,874</u>	<u>20,000</u>	<u>-</u>	<u>-</u>	<u>82,874</u>
Net Change in Fund Balances	1,000,515	285,469	658,761	20,621	1,965,366
Fund Balances - Beginning	2,388,740	127,647	-	187,621	2,704,008
Fund Balances - Ending	<u>\$ 3,389,255</u>	<u>\$ 413,116</u>	<u>\$ 658,761</u>	<u>\$ 208,242</u>	<u>\$ 4,669,374</u>

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

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

Total Net Change in Fund Balance - Governmental Funds \$ 1,965,366

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

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their useful lives as depreciation expense. Because of this, gains or losses on disposals only appear in the Statement of Activities as well. In the current period these amounts are:

Capital Outlay	\$ 220,769	
Depreciation Expense	<u>(286,032)</u>	
Net		(65,263)

Because some property taxes will not be collected for several months after the City's fiscal year ends, they are not considered as "available" revenues in the governmental funds and are, instead, counted as unearned tax revenues. They are, however, recorded as revenues in the Statement of Activities. (4,781)

Compensated absences reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This amount represents the net change in compensated absences. 17,413

The City participates in the Public Employee Retirement System of Idaho, which is a cost-sharing plan. As a participant they are required to report their share of the Net Pension Asset and the related deferred inflows and outflows on their Statement of Net Position. The changes in the Net Pension Asset and the related deferred inflows and outflows does not affect the governmental funds, but are reported in the Statement of Activities. 202,083

Change in Net Position of Governmental Activities \$ 2,114,818

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

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

	Water	Sewer	Sanitation	Other Proprietary Funds	Total
Assets					
Current Assets					
Cash and Cash Equivalents	\$ 3,813,677	\$ 5,107,871	\$ 118,964	\$ 291,841	\$ 9,332,353
Accounts Receivable, Net	164,196	187,903	61,345	230	413,674
Taxes Receivable, Net	-	-	-	1,600	1,600
Prepaid Items	22,240	9,400	1,340	1,484	34,464
Total Current Assets	4,000,113	5,305,174	181,649	295,155	9,782,091
Long-Term Assets					
Restricted Cash	44,330	-	-	-	44,330
Net Pension Asset	9,346	10,281	467	934	21,028
Capital Assets					
Land and Construction in Progress	184,477	385,197	-	10,000	579,674
Buildings, Net	94,665	-	-	38,422	133,087
Equipment, Net	55,822	335,533	-	9,741	401,096
Improvements, Net	3,283,808	13,512,169	-	13,016	16,808,993
Total Capital Assets	3,618,772	14,232,899	-	71,179	17,922,850
Total Long-Term Assets	3,672,448	14,243,180	467	72,113	17,988,208
Total Assets	7,672,561	19,548,354	182,116	367,268	27,770,299
Deferred Outflows					
Pension Related Items	136,512	150,166	6,827	13,652	307,157
Total Deferred Outflows	136,512	150,166	6,827	13,652	307,157
Liabilities					
Current Liabilities					
Wages Payable	23,921	23,682	3,974	3,784	55,361
Accounts Payable	-	155	45	-	200
Compensated Absences	9,822	5,503	478	1,412	17,215
Current Portion - Debt	82,750	424,653	-	-	507,403
Total Current Liabilities	116,493	453,993	4,497	5,196	580,179
Long-Term Liabilities					
Bonds and Leases Payable	2,572,552	8,379,505	-	-	10,952,057
Total Long-Term Liabilities	2,572,552	8,379,505	-	-	10,952,057
Total Liabilities	2,689,045	8,833,498	4,497	5,196	11,532,236
Deferred Inflows					
Pension Related Items	304,184	334,603	15,209	30,418	684,414
Total Deferred Inflows	304,184	334,603	15,209	30,418	684,414
Net Position					
Net Investment in Capital Assets	963,470	5,428,741	-	71,179	6,463,390
Restricted for Debt Service	44,330	-	-	-	44,330
Unrestricted	3,808,044	5,101,678	169,237	274,127	9,353,086
Total Net Position	\$ 4,815,844	\$ 10,530,419	\$ 169,237	\$ 345,306	\$ 15,860,806

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

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

	Water	Sewer	Sanitation	Other Proprietary Funds	Total
Operating Revenues					
Charges for Services	\$ 1,685,026	\$ 2,131,177	\$ 689,734	\$ 175,450	\$ 4,681,387
Surcharge	57,724	-	-	-	57,724
Hook Ups	555,744	578,305	-	-	1,134,049
Property Tax	-	-	-	38,378	38,378
Other	-	51,244	-	193	51,437
Total Operating Revenues	<u>2,298,494</u>	<u>2,760,726</u>	<u>689,734</u>	<u>214,021</u>	<u>5,962,975</u>
Operating Expenses					
Salaries and Benefits	421,040	445,500	67,777	47,020	981,337
Contractor Services	46,397	7,140	515,482	-	569,019
Maintenance and Operations	719,185	673,493	85,784	58,377	1,536,839
Depreciation	309,468	911,285	-	6,053	1,226,806
Total Operating Expenses	<u>1,496,090</u>	<u>2,037,418</u>	<u>669,043</u>	<u>111,450</u>	<u>4,314,001</u>
Operating Income	<u>802,404</u>	<u>723,308</u>	<u>20,691</u>	<u>102,571</u>	<u>1,648,974</u>
Non-Operating Revenues (Expenses)					
Interest Earned	11,248	12,410	483	416	24,557
Interest Expense	(338,509)	(884,330)	-	-	(1,222,839)
Total Non-Operating Revenues (Expenses)	<u>(327,261)</u>	<u>(871,920)</u>	<u>483</u>	<u>416</u>	<u>(1,198,282)</u>
Income (Loss) Before Transfers	<u>475,143</u>	<u>(148,612)</u>	<u>21,174</u>	<u>102,987</u>	<u>450,692</u>
Transfers					
Transfers Out	(36,886)	(25,988)	(20,000)	-	(82,874)
Net Transfers	<u>(36,886)</u>	<u>(25,988)</u>	<u>(20,000)</u>	<u>-</u>	<u>(82,874)</u>
Change in Net Position	438,257	(174,600)	1,174	102,987	367,818
Net Position - Beginning	4,377,587	10,705,019	168,063	242,319	15,492,988
Net Position - Ending	<u>\$ 4,815,844</u>	<u>\$ 10,530,419</u>	<u>\$ 169,237</u>	<u>\$ 345,306</u>	<u>\$ 15,860,806</u>

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

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

	Water	Sewer	Sanitation	Other Proprietary Funds	Total
Cash Flows from Operating Activities					
Receipts from Customers	\$ 2,295,001	\$ 2,703,295	\$ 685,624	\$ 175,313	\$ 5,859,233
Payments to Suppliers for Goods or Services	(835,671)	(729,694)	(608,856)	(60,672)	(2,234,893)
Payments to Employees for Services	(493,510)	(533,834)	(70,327)	(55,420)	(1,153,091)
Other Cash Receipts	-	51,244	-	38,571	89,815
Net Cash Provided by Operating Activities	<u>965,820</u>	<u>1,491,011</u>	<u>6,441</u>	<u>97,792</u>	<u>2,561,064</u>
Cash Flows from Noncapital Financing Activities					
Transfers In (Out)	(36,886)	(25,988)	(20,000)	-	(82,874)
Net Cash Used in Noncapital Financing Activities	<u>(36,886)</u>	<u>(25,988)</u>	<u>(20,000)</u>	<u>-</u>	<u>(82,874)</u>
Cash Flows From Capital and Related Financing Activities					
Purchases and Construction of Capital Assets	(517,760)	(51,599)	-	(5,435)	(574,794)
Sale of Capital Assets	5,744	147,890	-	-	153,634
Principal Paid on Capital Debt	(25,043)	(522,025)	-	-	(547,068)
Interest Paid on Capital Debt	(377,831)	(884,330)	-	-	(1,262,161)
Net Cash Used in Capital and Related Financing Activities	<u>(914,890)</u>	<u>(1,310,064)</u>	<u>-</u>	<u>(5,435)</u>	<u>(2,230,389)</u>
Cash Flows From Investing Activities					
Interest and Dividends	11,248	12,410	483	416	24,557
Net Cash Provided by Investing Activities	<u>11,248</u>	<u>12,410</u>	<u>483</u>	<u>416</u>	<u>24,557</u>
Net Increase in Cash and Cash Equivalents	25,292	167,369	(13,076)	92,773	272,358
Cash and Cash Equivalents, Beginning	3,832,715	4,940,502	132,040	199,068	9,104,325
Cash and Cash Equivalents, Ending	<u>\$ 3,858,007</u>	<u>\$ 5,107,871</u>	<u>\$ 118,964</u>	<u>\$ 291,841</u>	<u>\$ 9,376,683</u>
Displayed As:					
Cash and Cash Equivalents	\$ 3,813,677	\$ 5,107,871	\$ 118,964	\$ 291,841	\$ 9,332,353
Restricted Cash	44,330	-	-	-	44,330
	<u>\$ 3,858,007</u>	<u>\$ 5,107,871</u>	<u>\$ 118,964</u>	<u>\$ 291,841</u>	<u>\$ 9,376,683</u>

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

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

	Water	Sewer	Sanitation	Other Proprietary Funds	Total
Reconciliation of Operating Income to					
Net Cash Provided by Operating Activities:					
Operating Income	\$ 802,404	\$ 723,308	\$ 20,691	\$ 102,571	\$ 1,648,974
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:					
Depreciation	309,468	911,285	-	6,053	1,226,806
Changes in Assets and Liabilities:					
(Increase) Decrease in Accounts Receivable	(3,372)	(6,187)	(4,110)	(137)	(13,806)
(Increase) Decrease in Prepaid Items	(256)	(903)	(578)	(371)	(2,108)
(Increase) Decrease in Deferred Outflows	(61,115)	(67,227)	(3,056)	(6,112)	(137,510)
Increase (Decrease) in Accrued Payroll and Benefits	(2,156)	(2,168)	647	1,000	(2,677)
Increase (Decrease) in Accounts Payable	(69,833)	(48,158)	(7,012)	(1,924)	(126,927)
Increase (Decrease) in Customer Deposits	(121)	-	-	-	(121)
Increase (Decrease) in Compensated Absences	3,171	(5,332)	478	(2,051)	(3,734)
Increase (Decrease) in Net Pension Liability	(296,158)	(325,774)	(14,808)	(29,616)	(666,356)
Increase (Decrease) in Deferred Inflows	283,788	312,167	14,189	28,379	638,523
Net Cash Provided by Operating Activities	<u>\$ 965,820</u>	<u>\$ 1,491,011</u>	<u>\$ 6,441</u>	<u>\$ 97,792</u>	<u>\$ 2,561,064</u>

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

City of Emmett, Idaho
Statement of Fiduciary Net Position
- Fiduciary Funds
September 30, 2021

	Late Comers Trust	Development Engineering	Total Private Purpose Trust Funds
Assets			
Cash	\$ -	\$ 20,000	\$ 20,000
Accounts Receivable, Net	-	-	-
	-	20,000	20,000
Liabilities			
Accounts Payable	-	-	-
	-	-	-
Net Position			
Net Position Held in Trust	\$ -	\$ 20,000	\$ 20,000

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

City of Emmett, Idaho
Statement of Changes in Fiduciary Net Position
- Fiduciary Funds
For the Year Ended September 30, 2021

	Late Comers Trust	Development Engineering	Total Private Purpose Trust Funds
Additions			
Fees Held in Trust	\$ 67,550	\$ 23,346	\$ 90,896
Total Additions	<u>67,550</u>	<u>23,346</u>	<u>90,896</u>
Deductions	67,550	16,749	84,299
Total Deductions	<u>67,550</u>	<u>16,749</u>	<u>84,299</u>
Change in Net Position	-	6,597	6,597
Net Position - Beginning	-	13,403	13,403
Net Position - Ending	<u>\$ -</u>	<u>\$ 20,000</u>	<u>\$ 20,000</u>

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

B. Basis of Presentation, Basis of Accounting

Basis of Presentation

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes and state formula aid, are presented as general revenues.

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

The City reports the following major governmental funds:

- *General fund.* This is the City's primary operating fund. It accounts for all financial resources of the City, except those required to be accounted for in another fund.
- *Roads and Streets fund.* This fund accounts for repairs and maintenance of roads and construction of new roads. Restricted revenue received in this fund is to be used for this purpose.
- *American Rescue Plan Act Fund.* This fund accounts ARPA funds received from the Federal Government.

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

The City reports the following major enterprise funds:

- *Water fund.* This fund accounts for the activities of the City's water supply system, pumping stations, and collection systems.
- *Sewer fund.* This fund accounts for the operations and collections of the City's sewer system.
- *Sanitation fund.* The City acts as an intermediary in billing and collecting revenue from the local citizens for the sanitation company.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fiduciary Funds – The City is the trustee, or fiduciary, for the Late Comers Trust, Development Engineering, and the Downtown Improvement District, Private-Purpose Trust Funds. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the City’s fiduciary activities are reported in a separate Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position.

Basis of Accounting

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

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

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

Fund Balance Reporting in Governmental Funds

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The City uses the following fund balance categories in the governmental fund financial statements:

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

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

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

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

The fund balance in the nonmajor governmental funds are restricted by outside donors and grants for enrichment of the City's Art Commission Fund, Library Fund, and other funds have been restricted for use towards intent of the restriction.

C. Assets and Liabilities

Cash Equivalents

The City requires all cash belonging to the City to be placed in custody of the Clerk. A "Pooled Cash" concept is therefore used in maintaining the cash and investment accounts in the accounting records. Under this method, cash is pooled for investment purposes and each fund has equity in the pooled amount. All cash

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

and investment accounts with an original maturity of three months or less and all monies invested in the local government investment pool are considered to be cash and cash equivalents. See Note 2.

Receivables

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

Property Tax Calendar

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

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

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

Capital Assets

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

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

	<u>Capitalization Policy</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings and Improvements	\$5,000	Straight-Line	15 – 66 Years
Equipment and Vehicles	\$5,000	Straight-Line	5 – 25 Years

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Bond Issuance Costs, Premiums/Discounts, Deferred Losses on Refunding

In the government-wide financial statements and in the proprietary funds in the fund financial statements, long-term debt, and other long-term obligations are reported as assets or liabilities. Bond premiums and discounts, deferred losses on refunding, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount and deferred loss on refunding. Unamortized bond issuance costs are reported as intangible assets and amortized over the term of the related debt.

Restricted Assets – Proprietary Funds

Certain proceeds and resources are set aside and classified as restricted assets on the balance sheet because their use is limited by city ordinance and by the City Council. In the Water fund, the bond and interest redemption accounts are used to report resources set aside to be used for payment of bond principal and interest. It also includes the bond reserve account, which is used to report resources set aside to be used for payment of bond principal and interest, if amounts are not sufficient for such purposes in the bond and interest redemption account. Also, in the Water fund, the customer deposit account is used to report resources received from users of the utility system. These deposits are to be returned to the customer when leaving the system, provided all utility bills are paid current.

Pensions

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Estimates

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

2. CASH AND INVESTMENTS

Deposits

As of September 30, 2021, the carrying amount of the City's deposits was \$344,823 and the respective bank balances totaled \$649,006. \$649,006 of the total bank balance was insured or collateralized with pooled securities held by the pledging institution in the name of the City.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned. As of September 30, 2021, None of the City's deposits were not covered by federal depository insurance or by collateral held by the City's agent or pledging financial institution's trust department or agent in the name of the City, and thus were exposed to custodial credit risk. The City also keeps \$155 of cash on hand. The City does not have a formal policy limiting its exposure to custodial credit risk.

Custodial Credit Risk – Investments

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

Interest Rate Risk

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

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

2. CASH AND INVESTMENTS (continued)

Investments

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

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

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

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

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>	
		<u>Less than 1</u>	<u>1-5</u>
External Investment Pool	\$ 13,602,601	\$ 13,602,601	\$ -

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

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Fiduciary Funds</u>	<u>Total</u>
Cash and cash equivalents	\$ 257,880	\$ 76,098	\$ 11,000	\$ 344,978
Restricted Investments	-	44,330	-	44,330
Investments categorized as cash	<u>4,293,016</u>	<u>9,256,255</u>	<u>9,000</u>	<u>13,558,271</u>
	<u>\$ 4,550,896</u>	<u>\$ 9,376,683</u>	<u>\$ 20,000</u>	<u>\$ 13,947,579</u>

3. ALLOWANCE FOR DOUBTFUL ACCOUNTS

All trade and property tax receivables are shown net of an allowance for uncollectible accounts. Allowance for uncollectible accounts is valued at zero.

4. DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units include state revenue sharing of \$240,559.

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

5. CAPITAL ASSETS

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

	Balance 9/30/2020	Adjustments	Additions	Disposals	Balance 9/30/2021
<u>Governmental Activities:</u>					
Capital Assets Not Being Depreciated:					
Land	\$ 239,742	\$ -	\$ -	\$ -	\$ 239,742
Construction In Progress	20,000	-	-	-	20,000
Total Nondepreciable Assets	<u>259,742</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>259,742</u>
Capital Assets Being Depreciated:					
Buildings	1,340,542	-	27,120	-	1,367,662
Equipment	1,965,370	250,000	50,641	(40,562)	2,225,449
Improvements	3,431,964	-	143,925	-	3,575,889
Total Historical Cost	<u>6,737,876</u>	<u>250,000</u>	<u>221,686</u>	<u>(40,562)</u>	<u>7,169,000</u>
Less: Accumulated Depreciation					
Buildings	846,394	-	29,708	-	876,102
Equipment	1,634,896	116,667	123,458	(39,645)	1,835,376
Improvements	1,773,179	-	132,866	-	1,906,045
Total Acc. Depr.	<u>4,254,469</u>	<u>116,667</u>	<u>286,032</u>	<u>(39,645)</u>	<u>4,617,523</u>
Net Depreciable Assets	<u>2,483,407</u>	<u>133,333</u>	<u>(64,346)</u>	<u>(917)</u>	<u>2,551,477</u>
Governmental Activities					
Capital Assets - Net	<u>\$ 2,743,149</u>	<u>\$ 133,333</u>	<u>\$ (64,346)</u>	<u>\$ (917)</u>	<u>\$ 2,811,219</u>

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

5. CAPITAL ASSETS (continued)

	Balance 9/30/20	Adjustments	Additions	Disposals	Balance 9/30/21
<u>Business-type Activities:</u>					
Capital Assets Not Being Depreciated:					
Land	\$ 579,674	\$ -	\$ -	\$ -	\$ 579,674
Total Nondepreciable Assets	579,674	-	-	-	579,674
Capital Assets Being Depreciated:					
Buildings	1,063,290	-	-	-	1,063,290
Equipment	1,472,903	-	49,517	(15,237)	1,507,183
Improvements	31,603,769	-	525,277	-	32,129,046
Intangibles	217,281	-	-	(217,281)	-
Total Depreciable Assets	34,357,243	-	574,794	(232,518)	34,699,519
Less: Accumulated Depreciation					
Buildings	910,158	-	20,045	-	930,203
Equipment	1,026,792	-	94,532	(15,237)	1,106,087
Improvements	14,207,824	-	1,112,229	-	15,320,053
Intangibles	63,647	-	-	(63,647)	-
Total Acc. Depr.	16,208,421	-	1,226,806	(78,884)	17,356,343
Net Depreciable Assets	18,148,822	-	(652,012)	(153,634)	17,343,176
Business-type Activities - Net	\$ 18,728,496	\$ -	\$ (652,012)	\$ (153,634)	\$ 17,922,850

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

<u>Governmental Activities:</u>	
General Government	\$ 78,829
Road and Streets	148,112
Library	5,780
Public Safety	53,311
	\$ 286,032
<u>Business-type Activities:</u>	
Water	\$ 309,468
Sewer	911,285
Cemetery	5,794
Internet Utility	259
	\$1,226,806

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

6. PENSION PLAN

Plan Description

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

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

Pension Benefits

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

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

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

6. PENSION PLAN (continued)

Member and Employer Contributions

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

The contribution rates for employees are set by statute at 60% of the employer rate for general employees and 74% for police and firefighters. As of June 30, 2021, it was 7.16% for general employees and 9.13% for police and firefighters. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.94% for general employees and 12.28% for police and firefighters. The City of Emmett, Idaho's contributions were \$273,164 the year ended September 30, 2021.

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

At September 30, 2021, the City of Emmett, Idaho reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City of Emmett, Idaho's proportion of the net pension liability was based on the City of Emmett, Idaho's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2021, the City of Emmett, Idaho's proportion was 0.0591636 percent.

For the year ended September 30, 2021, the City of Emmett, Idaho recognized pension expense/ (revenue) of (\$92,763). At September 30, 2021, the City of Emmett, Idaho reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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

6. PENSION PLAN (continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience.	\$ 68,845	\$ 27,160
Changes in assumptions or other inputs.	536,358	-
Net difference between projected and actual earnings on pension plan investments.	-	1,467,636
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions.	4,983	26,126
City of Emmett, Idaho's contributions subsequent to the measurement date.	72,385	-
Total	\$ 682,571	\$ 1,520,922

\$72,385 reported as deferred outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2021.

The average of the expected remaining service lives of all employees that are provided with pensions through the System (active and inactive employees) determined at July 1, 2021, the beginning of the measurement period ended June 30, 2020, is 4.7 years and 4.6 for the measurement period June 30, 2021.

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

For the Year Ended September 30:	PERSI
2022	\$ (158,019)
2023	(188,588)
2024	(164,804)
2025	(326,940)

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

6. PENSION PLAN (continued)

Actuarial Assumptions

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

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

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

Contributing Members, Service Retirement Members, and Beneficiaries

General Employees and All Beneficiaries – Males Pub-2010 General Tables, increased 11%
General Employees and All Beneficiaries – Females Pub-20210 General Tables, increased 21%
Teachers – Males Pub-2010 Teacher Tables, increased 12%
Teachers – Females Pub-2010 Teacher Tables, increased 21%
Fire & Police – Males Pub-2010 Safety Tables, increased 21%
Fire & Police – Females Pub-2010 Safety Tables, increased 26%
Disabled Members – Males Pub-2010 Disabled Tables, increased 38%
Disabled Members – Females Pub-2010 Disabled Tables, increased 36%

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

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

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

6. PENSION PLAN (continued)

Even though history provides a valuable perspective for setting the investment return assumption, the System relies primarily on an approach which builds upon the latest capital market assumptions. Specifically, the System uses consultants, investment managers and trustees to develop capital market assumptions in analyzing the System's asset allocation. The assumptions and the System's formal policy for asset allocation are shown below. The formal asset allocation policy is somewhat more conservative than the current allocation of System's assets.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Nominal Rate of Return (Arithmetic)</u>	<u>Long-Term Expected Real Rate of Return (Arithmetic)</u>
Core Fixed Income	30.00%	1.80%	(.20%)
Broad US Equities	55.00%	8.00%	6.00%
Developed Foreign Equities	15.00%	8.25%	6.25%
Assumed Inflation - Mean		2.00%	2.00%
Assumed Inflation - Standard Deviation		1.50%	1.50%
Portfolio Arithmetic Mean Return		6.18%	4.18%
Portfolio Standard Deviation		12.29%	12.29%
Portfolio Long-Term (Geometric) Expected Rate of Return		5.55%	3.46%
Assumed Investment Expenses		0.40%	0.40%
Portfolio Long-Term (Geometric) Expected Rate of Return, Net of Investment Expenses		5.15%	3.06%

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

6. PENSION PLAN (continued)

Discount Rate

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

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

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

	1% Decrease (5.35%)	Current Discount Rate (6.35%)	1% Increase (7.35%)
Employer's proportionate share of the net pension liability (asset)	\$ 1,624,302	\$ (46,727)	\$(1,416,502)

Pension plan fiduciary net position

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

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

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

7. RISK MANAGEMENT

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

8. PLEDGED REVENUES

The City has pledged future water and sewer revenues, net of specified operating expenses, to repay the remaining principal and interest of \$559,247 in water and sewer system revenue bonds issued on June 1, 2012 and June 1, 2013. Proceeds from these bonds were used to refund revenue bond series 1988, 2007A, 2007B, 2008A, 2008B, and 2008C and additional bond proceeds were issued for bond series 2012B, 2012C and 2013A, all of which were issued for the purpose of capital improvements to the water and sewer systems. The bonds are payable solely from water and sewer customer net revenues and are payable through September 2022. Annual principal and interest payments on the bonds are expected to require approximately 11% percent of net revenues. Principal and interest paid for the current year on these bonds was \$10,228,861, as the bonds were refinanced into revenue bond series 2020A and 2020B. Total customer net revenues for water and sewer was \$5,059,220.

9. COMPENSATED ABSENCES

Vacation leave is granted to all regular City employees. In the event of termination, an employee is reimbursed for accumulated vacation leave. The City awards all vacation leave to employees on October 1st and requires all employees to use vacation time within one year of the day it accrues, or it is lost. However, compensated time is also awarded for overtime worked. This time can be accumulated and carried over to subsequent years. Changes in compensated absences for the year ended September 30, 2021, are as follows:

	<u>9/30/2020</u>	<u>Earned</u>	<u>Used</u>	<u>9/30/2021</u>	<u>Current</u>
Governmental Activities	\$ 40,502	\$ 23,089	\$ (40,502)	\$ 23,089	\$ 23,089
Business-type Activities	<u>20,949</u>	<u>17,215</u>	<u>(20,949)</u>	<u>17,215</u>	<u>17,215</u>
Total	<u>\$ 61,451</u>	<u>\$ 40,304</u>	<u>\$ (61,451)</u>	<u>\$ 40,304</u>	<u>\$ 40,304</u>

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

10. LEASE COMMITMENTS

The City leases four copy machines, one located at the Library, one at Public Works, one at the Police Station, and one for Waste Water. The City also entered into leases for five police vehicles. It is anticipated that the items will be returned at the end of the lease periods. Future minimum lease payments are as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2022	\$ 35,352
2023	26,008
2024	16,102
2025	3,033
2026	480
	<u>\$ 80,975</u>

Rent expenditures for the year ended September 30, 2021, were \$36,486.

11. OTHER COMMITMENTS

The City has credit cards with a total credit limit of \$75,000 . As of September 30, 2021, \$7,435 of the available credit was in use.

12. LONG-TERM OBLIGATIONS

The City has entered into a municipal lease-purchase agreement for equipment. The cost and related depreciation are reported as follows:

<u>Business-type Activities:</u>	
Equipment	\$ 362,519
Less: accumulated amortization (included as depreciation on the accompanying financial statements) by function:	
Sewer	<u>(116,524)</u>
	<u>\$ 245,995</u>

Bonds have been issued to provide funds for water and sewer projects. Interest incurred and expensed for the business-type activities for the period totaled \$449,414.

Interest incurred and expensed for governmental activities for the period totaled \$0.

None of this interest was capitalized.

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

12. LONG-TERM OBLIGATIONS (continued)

Changes in long-term obligations for the year ended September 30, 2021, are as follows:

Description	Maturity	Rate	Required		Increase	Decrease	9/30/21	Current Portion
			Reserve	9/30/20				
Business-type Activities:								
Vacuum Truck	2022	4.4%	None	\$ 171,099	\$ -	\$ (83,696)	\$ 87,403	\$ 87,403
Bond 2012	2042	3.0%	None	2,246,085	-	(2,246,085)	-	-
Bond 2012B	2041	3.0%	None	7,360,000	-	(7,095,000)	265,000	265,000
Bond 2012C	2041	4.0%	None	1,100,000	-	(1,100,000)	-	-
Bond 2013A	2042	3.5%	None	1,000,000	-	(1,000,000)	-	-
Bond 2020A	2038	2.0%	None	-	1,890,000	(155,000)	1,735,000	65,000
Bond 2020B	2038	2.0%	None	-	8,160,000	(10,000)	8,150,000	90,000
				<u>11,877,184</u>	<u>10,050,000</u>	<u>(11,689,781)</u>	<u>10,237,403</u>	<u>507,403</u>
Unamort. Deferred Gain on Refunding				416,797	-	(416,797)	-	-
Unamort. Deferred Loss on Refunding				(276,453)	-	276,453	-	-
Unamort. Bond Premium				-	1,293,942	(71,885)	1,222,057	71,885
Unamort. Bond Discount				(11,000)	-	11,000	-	-
				<u>\$ 12,006,528</u>	<u>\$ 11,343,942</u>	<u>\$ (11,891,010)</u>	<u>\$ 11,459,460</u>	<u>\$ 579,288</u>

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

Year Ending September 30,	Business-type Activities		Business-type Activities	
	Bonds and Notes		Municipal Leases	
	Principal	Interest	Principal	Interest
2022	\$ 420,000	\$ 361,017	\$ 87,403	\$ 3,872
2023	440,000	340,667	-	-
2024	460,000	319,417	-	-
2025	480,000	297,217	-	-
2026	505,000	274,017	-	-
2027 - 2031	2,920,000	979,033	-	-
2032 - 2036	3,425,000	469,536	-	-
2037 - 2041	1,500,000	61,381	-	-
	<u>\$ 10,150,000</u>	<u>\$ 3,102,285</u>	<u>\$ 87,403</u>	<u>\$ 3,872</u>

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

13. TRANSFERS

The following transfers were made between funds during the year.

\$ 20,000	From the Sanitation fund to the Roads and Streets fund to reimburse road usage and repairs.
36,886	From the Water Fund to the General Fund to reimburse expenses.
25,988	From the Sewer Fund to the General Fund to reimburse expenses.
<u>\$ 82,874</u>	

14. RESTATEMENT

In prior years the fixed assets of the governmental activities were understated by \$14,524. This caused the Net Position to be understated by the same. Net Position was restated in the current period as follows:

	Governmental Activities
Net Position, Beginning - As Previously Stated	\$ 4,834,750
Increase in Net Position due to Understated Fixed Assets	133,333
Net Position, Beginning - Restated	\$ 4,968,083

REQUIRED SUPPLEMENTARY INFORMATION

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

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues				
Property Taxes	\$ 1,539,990	\$ 1,539,990	\$ 1,603,165	\$ 63,175
Licenses and Permits	123,500	136,500	395,866	259,366
Intergovernmental	778,319	1,391,319	1,908,242	516,923
Interest Earned	48,000	48,000	7,751	(40,249)
Other	55,300	81,300	101,443	20,143
Total Revenues	<u>2,545,109</u>	<u>3,197,109</u>	<u>4,016,467</u>	<u>819,358</u>
Expenditures				
Current:				
Salaries and Benefits	1,844,637	1,857,637	1,817,970	39,667
Contractor Services	11,750	11,750	12,241	(491)
Maintenance and Operations	735,756	1,374,756	1,240,618	134,138
Capital Outlay	15,840	15,840	7,997	7,843
Total Expenditures	<u>2,607,983</u>	<u>3,259,983</u>	<u>3,078,826</u>	<u>181,157</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(62,874)</u>	<u>(62,874)</u>	<u>937,641</u>	<u>1,000,515</u>
Other Financing Sources (Uses)				
Transfers In	62,874	62,874	62,874	-
Total Other Financing Sources (Uses)	<u>62,874</u>	<u>62,874</u>	<u>62,874</u>	<u>-</u>
Net Change in Fund Balances	<u>-</u>	<u>-</u>	<u>1,000,515</u>	<u>1,000,515</u>
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>2,388,740</u>	<u>2,388,740</u>
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,389,255</u>	<u>\$ 3,389,255</u>

City of Emmett, Idaho
 Budgetary (GAAP Basis) Comparison Schedule
 Roads and Streets Fund
 For the Year Ended September 30, 2021

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues				
Property Taxes	\$ 118,146	\$ 118,146	\$ 125,669	\$ 7,523
Licenses and Permits	49,000	49,000	48,954	(46)
Highway Users Fund	268,997	268,997	423,674	154,677
Street Lights	48,000	48,000	52,234	4,234
Other	22,000	22,000	15,487	(6,513)
Total Revenues	<u>506,143</u>	<u>506,143</u>	<u>666,018</u>	<u>159,875</u>
Expenditures				
Current:				
Salaries and Benefits	181,322	181,322	174,048	7,274
Maintenance and Operations	344,821	344,821	226,501	118,320
Total Expenditures	<u>526,143</u>	<u>526,143</u>	<u>400,549</u>	<u>125,594</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(20,000)</u>	<u>(20,000)</u>	<u>265,469</u>	<u>285,469</u>
Other Financing Sources (Uses)				
Transfers In	20,000	20,000	20,000	-
Total Other Financing Sources (Uses)	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>-</u>
Net Change in Fund Balances	-	-	285,469	285,469
Fund Balances - Beginning	-	-	127,647	127,647
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 413,116</u>	<u>\$ 413,116</u>

City of Emmett, Idaho
 Budgetary (GAAP Basis) Comparison Schedule
 American Rescue Plan Act Fund
 For the Year Ended September 30, 2021

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ -	\$ 758,811	\$ 758,811
Total Revenues	<u>-</u>	<u>-</u>	<u>758,811</u>	<u>758,811</u>
Expenditures				
Current:				
Grant Expense	-	-	100,050	(100,050)
Total Expenditures	<u>-</u>	<u>-</u>	<u>100,050</u>	<u>(100,050)</u>
Net Change in Fund Balances	-	-	658,761	658,761
Fund Balances - Beginning	-	-	-	-
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 658,761</u>	<u>\$ 658,761</u>

City of Emmett, Idaho
Notes to Required Supplementary Information
For the Year Ended September 30, 2021

1. BUDGETS AND BUDGETARY ACCOUNTING

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

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

2 EXPENDITURES IN EXCESS OF APPROPRIATIONS

The American Rescue Plan Act Fund had expenditures in excess of appropriations in the amount of \$100,050

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

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

Year	City's proportion of the net pension liability (asset)	City's proportionate share of the net pension liability (asset)	City's covered-employee payroll	City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability
2021	0.0591636%	\$ (46,726)	\$ 2,264,677	(2.06%)	100.36%
2020	0.0617563%	1,434,063	2,198,825	65.22%	88.22%
2019	0.0607233%	693,140	2,069,135	33.50%	93.79%
2018	0.0626740%	924,452	2,015,242	45.87%	91.69%
2017	0.0617421%	970,480	1,917,565	50.61%	90.68%
2016	0.0703190%	1,425,474	1,998,385	71.33%	87.26%
2015	0.0669640%	881,807	1,883,912	46.81%	91.38%

Data reported is measured as of June 30, 2021.

Schedule of City Contributions

Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	City's Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2021	\$ 273,164	\$ 273,164	\$ -	\$ 2,264,677	12.06%
2020	265,101	265,101	-	2,198,825	12.06%
2019	239,165	239,165	-	2,069,135	11.56%
2018	230,325	230,325	-	2,015,242	11.43%
2017	219,094	219,094	-	1,917,565	11.43%
2016	228,456	228,456	-	1,998,385	11.43%
2015	215,604	215,604	-	1,883,912	11.44%

Data reported is measured as of September 30, 2021.

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

SUPPLEMENTAL INFORMATION

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

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Taxes			
Property Taxes	\$ 1,527,990	\$ 1,590,636	\$ 62,646
Penalties and Interest	12,000	12,529	529
	<u>1,539,990</u>	<u>1,603,165</u>	<u>63,175</u>
Licenses and Permits			
Beer, Wine, and Liquor Licenses	15,000	13,280	(1,720)
Bartenders' Licenses	1,000	1,020	20
Franchise Fees	45,000	44,941	(59)
Building Permits	63,500	319,606	256,106
Dog Licenses	7,000	6,385	(615)
Planning and Zoning	5,000	10,634	5,634
	<u>136,500</u>	<u>395,866</u>	<u>259,366</u>
Intergovernmental			
State Liquor Apportionment	121,250	157,486	36,236
Personal Property Tax Replacement	49,101	48,695	(406)
State Revenue Sharing	531,925	820,789	288,864
Magistrate Court	25,000	23,328	(1,672)
School District - Resource Officer	30,000	30,000	-
Agriculture Equip - Tax Replacement	1,043	1,043	-
Miscellaneous Police Grants	10,000	11,989	1,989
Park Grants	-	11,744	11,744
Fire Department Grants	10,000	5,047	(4,953)
Other Grant	613,000	798,121	185,121
	<u>1,391,319</u>	<u>1,908,242</u>	<u>516,923</u>
Other			
Airport Building Rentals	16,700	15,663	(1,037)
Interest Earned	48,000	7,751	(40,249)
Charges for Police Services	29,000	4,214	(24,786)
Other	35,600	81,566	45,966
	<u>129,300</u>	<u>109,194</u>	<u>(20,106)</u>
Total Revenue	<u><u>\$ 3,197,109</u></u>	<u><u>\$ 4,016,467</u></u>	<u><u>\$ 819,358</u></u>

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

	Budget	Actual	Variance
Council			
Salaries	\$ 54,000	\$ 51,593	\$ 2,407
Benefits	34,064	25,411	8,653
Travel and Meetings	200	-	200
	<u>88,264</u>	<u>77,004</u>	<u>11,260</u>
Executive			
Mayor Salary	27,000	25,908	1,092
Benefits	7,316	4,487	2,829
	<u>34,316</u>	<u>30,395</u>	<u>3,921</u>
City Clerk and Treasurer			
Salaries	46,956	47,401	(445)
Benefits	15,999	16,695	(696)
Office Supplies	6,500	4,134	2,366
Auditing	9,100	9,100	-
Publications	2,000	1,361	639
Insurance - Tort	1,844	1,664	180
Dues and Subscriptions	20,000	15,306	4,694
Education and Training	2,500	1,166	1,334
Telephone and Utilities	3,550	3,221	329
Maintenance and Repair	13,500	10,891	2,609
Miscellaneous	6,909	5,859	1,050
Equipment	8,000	2,923	5,077
	<u>136,858</u>	<u>119,721</u>	<u>17,137</u>
City Attorney			
Prosecution	78,975	78,975	-
	<u>78,975</u>	<u>78,975</u>	<u>-</u>
Planning and Zoning			
Salaries	-	767	(767)
Benefits	-	-	-
Mapping and Surveys	2,000	3,447	(1,447)
Education and Training	1,500	405	1,095
Office Supplies	500	1,357	(857)
	<u>4,000</u>	<u>5,976</u>	<u>(1,976)</u>

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

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Police Department			
Salaries	\$ 775,960	\$ 773,085	\$ 2,875
Benefits	328,233	323,715	4,518
Uniform Allowance	6,000	10,291	(4,291)
Office Supplies	2,000	2,813	(813)
Grant Expenditure	10,000	7,645	2,355
Fuel	20,000	20,887	(887)
Animal Control	10,436	10,574	(138)
Dues and Subscriptions	35,050	30,934	4,116
Education and Training	9,000	9,053	(53)
Drug Testing	1,345	3,583	(2,238)
Telephone	13,800	13,358	442
Utilities	2,100	2,160	(60)
Dispatch	61,115	61,114	1
Maintenance	17,850	19,374	(1,524)
Insurance	20,300	19,128	1,172
Miscellaneous	9,750	7,114	2,636
Equipment	18,000	18,207	(207)
	<u>1,340,939</u>	<u>1,333,035</u>	<u>7,904</u>
Fire Department			
Salaries	140,400	130,884	9,516
Benefits	54,082	44,698	9,384
Dispatch	1,600	1,600	-
Fuel	5,000	3,294	1,706
Dues and Subscriptions	4,000	4,710	(710)
Education and Training	9,000	3,125	5,875
Telephone and Communications	3,500	3,050	450
Utilities	3,000	3,191	(191)
Maintenance	17,000	16,377	623
Drug Testing	320	315	5
Office Supplies	1,000	1,269	(269)
Insurance	4,580	4,156	424
Equipment	32,000	20,752	11,248
	<u>275,482</u>	<u>237,421</u>	<u>38,061</u>

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

	Budget	Actual	Variance
Building Inspection			
Salaries	\$ 89,763	\$ 90,224	\$ (461)
Benefits	33,080	33,480	(400)
Supplies	500	547	(47)
Fuel	1,500	1,352	148
Telephone	720	704	16
Meetings	2,000	1,077	923
Maintenance	7,840	3,038	4,802
Miscellaneous	13,000	7,425	5,575
	<u>148,403</u>	<u>137,847</u>	<u>10,556</u>
Code Enforcement			
Miscellaneous	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Airport Maintenance			
Benefits	4,250	2,000	2,250
Maintenance	14,960	10,090	4,870
	<u>19,210</u>	<u>12,090</u>	<u>7,120</u>
Parks Department			
Salaries	46,134	40,121	6,013
Benefits	18,801	14,829	3,972
Uniform Allowance	300	211	89
Fuel	1,330	1,927	(597)
Education and Training	500	-	500
Utilities	12,200	10,932	1,268
Drug Testing	100	45	55
Maintenance	41,550	38,508	3,042
Miscellaneous	3,470	2,474	996
	<u>124,385</u>	<u>109,047</u>	<u>15,338</u>
IT Department			
Salaries	173,803	173,375	428
Benefits	75,983	75,189	794
Equipment	40,289	38,601	1,688
Miscellaneous	661,025	615,625	45,400
	<u>951,100</u>	<u>902,790</u>	<u>48,310</u>
Capital Outlay	<u>58,051</u>	<u>34,525</u>	<u>23,526</u>
Total Expenditures	<u><u>3,259,983</u></u>	<u><u>3,078,826</u></u>	<u><u>181,157</u></u>

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

	Library	Art Commission	Total
Assets			
Cash and Cash Equivalents	\$ 211,328	\$ 1,349	\$ 212,677
Taxes Receivable	8,009	-	8,009
Prepaid Items	1,381	-	1,381
Total Assets	<u>\$ 220,718</u>	<u>\$ 1,349</u>	<u>\$ 222,067</u>
Liabilities, Deferred Inflows, and Fund Balances			
Liabilities			
Accounts Payable	\$ 532	\$ 40	\$ 572
Wages Payable	7,012	-	7,012
Total Liabilities	<u>7,544</u>	<u>40</u>	<u>7,584</u>
Deferred Inflows			
Unearned Revenue - Property Tax	6,241	-	6,241
Total Liabilities	<u>6,241</u>	<u>-</u>	<u>6,241</u>
Fund Balances			
Restricted	206,933	1,309	208,242
Total Fund Balances	<u>206,933</u>	<u>1,309</u>	<u>208,242</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 220,718</u>	<u>\$ 1,349</u>	<u>\$ 222,067</u>

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

	Library	Art Commission	Total
Revenues			
Property Taxes	\$ 192,542	\$ -	\$ 192,542
Intergovernmental	10,375	-	10,375
Other	49,139	-	49,139
Total Revenues	<u>252,056</u>	<u>-</u>	<u>252,056</u>
Expenditures			
Salaries and Benefits	148,193	-	148,193
Contractor Services	27,390	-	27,390
Miscellaneous	55,852	-	55,852
Total Expenditures	<u>231,435</u>	<u>-</u>	<u>231,435</u>
Net Change in Fund Balances	20,621	-	20,621
Fund Balances - Beginning	186,312	1,309	187,621
Fund Balances - Ending	<u>\$ 206,933</u>	<u>\$ 1,309</u>	<u>\$ 208,242</u>

City of Emmett, Idaho
Combining Statement of Net Position -
Nonmajor Proprietary Funds
September 30, 2021

	Perpetual Care	Cemetery	Internet Utility	Total
Assets				
Current Assets				
Cash and Cash Equivalents	\$ 93,797	\$ 132,963	\$ 65,081	\$ 291,841
Accounts Receivable, Net	-	-	230	230
Property Taxes Receivable, Net	-	1,600	-	1,600
Prepaid Items	-	1,484	-	1,484
Total Current Assets	<u>93,797</u>	<u>136,047</u>	<u>65,311</u>	<u>295,155</u>
Long-Term Assets				
Capital Assets				
Land	-	10,000	-	10,000
Buildings, Net	-	38,422	-	38,422
Equipment, Net	-	4,565	5,176	9,741
Improvements, Net	-	13,016	-	13,016
Total Long-Term Assets	<u>-</u>	<u>66,003</u>	<u>5,176</u>	<u>71,179</u>
Total Assets	<u>93,797</u>	<u>202,050</u>	<u>70,487</u>	<u>366,334</u>
Deferred Outflows				
Pension Related Items	-	13,652	-	13,652
Total Deferred Outflows	<u>-</u>	<u>13,652</u>	<u>-</u>	<u>13,652</u>
Liabilities				
Current Liabilities				
Wages Payable	-	3,784	-	3,784
Compensated Absences	-	1,412	-	1,412
Total Current Liabilities	<u>-</u>	<u>5,196</u>	<u>-</u>	<u>5,196</u>
Long-Term Liabilities				
Net Pension Liability	-	(934)	-	(934)
Total Long-Term Liabilities	<u>-</u>	<u>(934)</u>	<u>-</u>	<u>(934)</u>
Total Liabilities	<u>-</u>	<u>4,262</u>	<u>-</u>	<u>4,262</u>
Deferred Inflows				
Pension Related Items	-	30,418	-	30,418
Unearned Revenue - Property Tax	-	-	-	-
Total Deferred Inflows	<u>-</u>	<u>30,418</u>	<u>-</u>	<u>30,418</u>
Net Position				
Net Investment in Capital Assets	-	66,003	5,176	71,179
Unrestricted	93,797	115,019	65,311	274,127
Total Net Position	<u>\$ 93,797</u>	<u>\$ 181,022</u>	<u>\$ 70,487</u>	<u>\$ 345,306</u>

City of Emmett, Idaho
Combining Statement of Revenues, Expenses,
and Changes in Fund Net Position – Nonmajor Proprietary Funds
For the Year Ended September 30, 2021

	Perpetual Care	Cemetery	Internet Utility	Total
Revenues				
Property Taxes	\$ -	\$ 38,378	\$ -	\$ 38,378
Charges for Services	4,700	95,145	75,605	175,450
Miscellaneous	-	183	10	193
Total Revenues	<u>4,700</u>	<u>133,706</u>	<u>75,615</u>	<u>214,021</u>
Expenses				
Salaries and Benefits	-	47,020	-	47,020
Maintenance and Operations	-	49,463	8,914	58,377
Depreciation	-	5,794	259	6,053
Total Expenses	<u>-</u>	<u>102,277</u>	<u>9,173</u>	<u>111,450</u>
Operating Income	<u>4,700</u>	<u>31,429</u>	<u>66,442</u>	<u>102,571</u>
Non-Operating Revenues (Expenses)				
Interest Earned	223	193	-	416
Total Non-Operating Revenues (Expenses)	<u>223</u>	<u>193</u>	<u>-</u>	<u>416</u>
Income Before Transfers	<u>4,923</u>	<u>31,622</u>	<u>66,442</u>	<u>102,987</u>
Change in Net Position	4,923	31,622	66,442	102,987
Net Position - Beginning	88,874	149,400	4,045	242,319
Net Position - Ending	<u>\$ 93,797</u>	<u>\$ 181,022</u>	<u>\$ 70,487</u>	<u>\$ 345,306</u>

FEDERAL REPORTS



ZWYGART JOHN

CERTIFIED PUBLIC ACCOUNTANTS

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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***

To the Honorable Mayor and
City Council
City of Emmett, 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 City of Emmett, Idaho, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated March 22, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Emmett, Idaho's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City'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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

Purpose of this Report

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

Zwyzart John & Associates, PLLC

Nampa, Idaho
March 22, 2022