City of Victor, Idaho

Financial Statements and Supplemental Information

Year Ended September 30, 2023

WIPFLI

Independent Auditor's Report

Mayor and City Council
City of Victor
Victor, Idaho

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Victor (the "City"), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Victor as of September 30, 2023, and respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (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 City of Victor and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about City of Victor'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 Victor’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 City of Victor'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

Accounting principles generally accepted in the United States of America require that the schedule of employer's share of net pension liability and schedule of employer contributions for the prior ten fiscal years, and budgetary comparison information as listed on pages 37-41, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 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 financial statements, and other knowledge we obtained during our audit of the 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.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 20, 2024 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of City of Victor's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Wipfli LLP

Wipfli LLP

Idaho Falls, Idaho
May 20, 2024

City of Victor

Government-wide Statement of Net Position

September 30, 2023

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	VURA
Assets				
Cash and investments	$ 5,327,890	$ 5,321,943	$ 10,649,833	$ 246,041
Receivables				-
Property taxes	23,268	-	23,268	-
Intergovernmental	316,560	-	316,560	-
Accounts receivables	-	177,376	177,376	-
Other receivables	107,538	-	107,538	-
Lease revenue receivable	414,394	-	414,394	-
Restricted cash and investments	-	259,000	259,000	-
Capital Assets				
Nondepreciable Assets	2,245,072	1,239,162	3,484,234	-
Depreciable Assets, net	3,988,291	6,415,701	10,403,992	-
Amortization assets, net	591,536	-	591,536	-
Total Assets	13,014,549	13,413,182	26,427,731	246,041
Deferred outflow of resources				
Related to pensions	130,980	161,331	292,311	-
Liabilities				
Current liabilities				
Accounts Payable	921,311	142,389	1,063,700	-
Accrued Salaries and benefits	35,228	30,414	65,642	-
Deposits payable	24,784	-	24,784	-
Accrued interest	10,271	27,678	37,949	-
Noncurrent Liabilities				
Due in one year:				-
Compensated absences	19,689	22,122	41,811	-
Lease Liability, short-term	22,195	-	22,195	-
Long-term debt	193,950	513,455	707,405	15,461
Due in more than one year				
Pension plan payable	291,419	440,499	731,918	-
Lease liability, long-term	589,150	-	589,150	-
Long-term debt	872,717	2,816,062	3,688,779	166,685
Total Liabilities	2,980,714	3,992,619	6,973,333	182,146
Deferred inflow of resources				
Unearned lease revenue	397,077	-	397,077	-
Total deferred inflow of resources	397,077	-	397,077	-
Net position				
Net investment in capital assets	5,146,887	4,325,346	9,472,233	-
Restricted				
Debt services	-	259,000	259,000	-
Capital projects	344,457	-	344,457	-
Unrestricted	4,276,394	4,997,548	9,273,942	63,895
Total net position	$ 9,767,738	$ 9,581,894	$ 19,349,632	$ 63,895

The accompanying notes are an integral part of this statement.

City of Victor

Government-wide Statement of Activities

For the year ended September 30, 2023

		Program Revenues			Primary Government Net (Expense) Revenue and Changes in Net Position			Component Unit
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	VURA
Primary Government								
Governmental activities								
Governmental activities	$ 1,675,558	$ 135,484	$ 153,857	$ -	$ (1,386,217)	$ -	$ (1,386,217)	$ -
Parks and street	325,464	5,172	-	-	(320,292)	-	(320,292)	-
Capital Outlays	247,934	-	-	-	(247,934)	-	(247,934)	-
Debt service	2,500	-	-	-	(2,500)	-	(2,500)	-
Total governmental activities	2,251,456	140,656	153,857	-	(1,956,943)	-	(1,956,943)	-
Business-type activities								
Water	820,705	1,739,985	-	-	-	919,280	919,280	-
Wastewater	1,047,696	1,737,598	-	-	-	689,902	689,902	-
Irrigation	12,581	16,671	-	-	-	4,090	4,090	-
Impact Fees	12,356	61,146	-	-	-	48,790	48,790	-
Total business-type activities	1,893,338	3,555,400	-	-	-	1,662,062	1,662,062	-
Total primary government	$ 4,144,794	$ 3,696,056	$ 153,857	$ -	(1,956,943)	1,662,062	(294,881)	-
Total component unit - VURA	$ 32,401	$ -	$ -	$ -	-	-	-	(32,401)
General revenues								
Property taxes					557,516	-	557,516	-
Intergovernmental revenues					1,578,366	-	1,578,366	-
Other revenue					1,567,594	-	1,567,594	70,594
Earnings on investments					205,627	14,830	220,457	-
Gain (loss) on disposal of assets					-	(10,312)	(10,312)	-
Total general revenue and transfers					3,909,103	4,518	3,913,621	70,594
Changes in net position					1,952,160	1,666,580	3,618,740	38,193
Net position- beginning					7,815,578	7,915,314	15,730,892	25,702
Net position - ending					$ 9,767,738	$ 9,581,894	$ 19,349,632	$ 63,895

The accompanying notes are an integral part of this statement.

City of Victor

Balance Sheet - Governmental Funds

September 30, 2023

	General Fund	Road & Bridge	Capital Projects	Local Option Tax	Non-major (Debt Service)	Total
ASSETS						
Cash and investments	$ 1,665,745	$ 667,623	$ 920,659	$ 2,078,957	$ (5,094)	$ 5,327,890
Receivables						
Property taxes	20,697	-	-	-	2,571	23,268
Intergovernmental	91,234	43,181	182,145	-	-	316,560
Interfund	-	-	203,742	-	-	203,742
Leases	414,394	-	-	-	-	414,394
Other	7,984	-	363	99,191	-	107,538
Total assets	$ 2,200,054	$ 710,804	$ 1,306,909	$ 2,178,148	$ (2,523)	$ 6,393,392
LIABILITIES						
Accounts payable	39,647	8,051	430,386	443,227	-	921,311
Accrued salaries and benefits	31,551	3,677	-	-	-	35,228
Deposits payable	24,784	-	-	-	-	24,784
Due to other funds	-	203,742	-	-	-	203,742
Total liabilities	95,982	215,470	430,386	443,227	-	1,185,065
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	406,401	-	-	-	-	406,401
FUND BALANCES						
Restricted	-	-	344,457	-	-	344,457
Committed for						
Equipment reserves	1,883	207,882	-	61,148	-	270,913
Contingency reserve	626,796	287,452	-	-	-	914,248
Improvement projects	-	-	532,066	-	-	532,066
Unassigned	1,068,992	-	-	1,673,773	(2,523)	2,740,242
Total fund balances	1,697,671	495,334	876,523	1,734,921	(2,523)	4,801,926
Total liabilities, deferred inflows of resources, and fund balances	$ 2,200,054	$ 710,804	$ 1,306,909	$ 2,178,148	$ (2,523)	$ 6,393,392

The accompanying notes are an integral part of this statement.

City of Victor

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position

September 30, 2023

Total fund balances - governmental funds	$	4,801,926
Amounts reported for governmental activities in the statement of net position are different due to the following items:		
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. Similarly, under GASB 87, assets purchased under lease are now classified as right of use assets and amortized over the life of the lease.		6,824,899
Property taxes receivable will be collected but are not available soon enough to pay for the current period's expenditures, and therefore are shown as unavailable in the funds.		9,324
The net pension liability and the deferred outflows of resources and deferred inflows of resources related to pensions are only reported in the statement of net position: net pension liability is $(291,419), deferred inflows of resources related to pensions is $-, and deferred outflows of resources related to pensions is $130,980.		(160,439)
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.		
Long term liabilities at year end consisted of:		
Compensated absences		(19,689)
Accrued interest		(10,271)
Capital lease obligations		(611,345)
Notes payable		(1,066,667)
Total net position - governmental activities	$	9,767,738

The accompanying notes are an integral part of this statement.

City of Victor

Statements of Revenues, Expenditures and Changes In Fund Balances - Governmental Funds

Year Ended September 30, 2023

	General Fund	Road & Bridge	Capital Projects	Local Option Tax	Non-major (Debt Service)	Total Governmental Funds
REVENUES						
Property taxes	$ 559,082	$ -	$ -	$ -	$ -	$ 559,082
Licenses and permits	10,850	-	-	-	-	10,850
Fines and assessments	14,104	-	-	-	-	14,104
Intergovernmental revenue	390,086	312,443	-	1,030,494	-	1,733,023
Planning	123,834	-	-	-	-	123,834
Recreation fees	5,172	-	-	-	-	5,172
Earnings on investments	198,212	-	-	7,415	-	205,627
Miscellaneous revenue	62,706	9,791	1,046,761	434,834	-	1,554,092
Total revenues	1,364,046	322,234	1,046,761	1,472,743	-	4,205,784
EXPENDITURES						
General government						
Salaries and wages	634,880	98,550	-	-	-	733,430
Office expense	41,964	-	-	-	-	41,964
Professional fees	211,022	-	-	-	-	211,022
Repairs & maintenance	1,130	-	-	-	-	1,130
Contributions	36,000	-	-	-	-	36,000
Law enforcement	-	-	-	69,110	-	69,110
Software expense	61,198	-	-	-	-	61,198
Utilities	3,438	-	-	-	-	3,438
Depot expenses	-	-	39,268	-	-	39,268
Miscellaneous	92,426	-	-	-	-	92,426
Interest expense	30,492	-	-	-	-	30,492
Capital outlay	-	-	1,247,135	1,126,415	-	2,373,550
Repairs & maintenance	3,448	146,418	-	89,359	-	239,225
Snow removal	-	80,809	-	-	-	80,809
Lights	-	5,430	-	-	-	5,430
Total expenditures	1,115,998	331,207	1,286,403	1,284,884	-	4,018,492
Revenues over (under) expenditures	248,048	(8,973)	(239,642)	187,859	-	187,292
OTHER FINANCING SOURCES (USES)						
Proceeds from LT obligations	-	-	600,000	464,167	-	1,064,167
Operating transfers In	54,785	131,625	-	-	-	186,410
Operating transfers Out	-	-	-	(186,410)	-	(186,410)
Total	54,785	131,625	600,000	277,757	-	1,064,167
Revenues and other financing sources (uses) over expenditures	302,833	122,652	360,358	465,616	-	1,251,459
Fund balances, beginning	1,394,838	372,682	516,165	1,269,305	(2,523)	3,550,467
Fund balances, ending	$ 1,697,671	$ 495,334	$ 876,523	$ 1,734,921	$ (2,523)	$ 4,801,926

The accompanying notes are an integral part of this statement.

City of Victor

Reconciliation of the Governmental Funds Revenues, Expenditures, and Changes in Fund Balances with the Statement of Activities

September 30, 2023

Net change in fund balances - governmental funds	$ 1,251,459
Amounts reported for governmental activities in the statement of activities are different due to 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 estimated useful lives as depreciation expense. Leased capital assets are included as right-of-use assets and the costs are allocated over the remaining life of the lease as amortization expense. This is the amount by which capital outlays and new leased assets exceeded depreciation and amortization expense, and any offset for capital sales related to remaining book value in the current period.	1,821,595
Because some property taxes will not be collected until after the City's fiscal year ends, they are not considered "available" revenues in the governmental funds. Unavailable tax revenues changed by this amount this year.	(1,566)
The pension benefits are reported in the governmental funds when paid but in the statement of activities when earned. The change in the pension liability is $(31,017). The change in deferred outflows of resources related to pensions is $(30,344). The change in deferred inflows of resources related to pensions is $(1,139).	(60,222)
In the statement of activities, compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, expenditures for these items are measured by the amount of financial resources used. This year vacation used exceeded vacation leave earned by this amount.	(4,059)
Proceeds from new debt are recognized as income in the governmental funds as other financial resources. For these statement of activities, only the portion allocated to interest remains with the principal portion of these resources creating a new long-term liability for the City. Long-term debt changed by this amount.	(1,066,667)
Interest and lease payments on long-term lease liabilities in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the fund when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. The decrease in interest expense reported in the statement of activities results from lease liabilities.	11,620
Changes in net postion- governmental funds	$ 1,952,160

The accompanying notes are an integral part of this statement.

City of Victor

Statement of Net Position

Proprietary Funds

September 30, 2023

	Business-Type Activities			
	Water	Sewer	Nonmajor Funds	Total
Assets				
Current assets				
Cash and investments	$ 2,274,379	$ 2,991,431	$ 56,133	$ 5,321,943
Restricted cash	259,000	-	-	259,000
Accounts receivable	82,939	94,437	-	177,376
Interfund receivables	-	33,168	-	33,168
Total current assets	2,616,318	3,119,036	56,133	5,791,487
Non-current assets				
Nondepreciable capital assets	855,014	384,148	-	1,239,162
Depreciable capital assets	3,538,057	2,877,644	-	6,415,701
Total capital assets, net	4,393,071	3,261,792	-	7,654,863
Total assets	7,009,389	6,380,828	56,133	13,446,350
Deferred outflows of resources				
Related to pensions	80,528	80,803	-	161,331
Liabilities				
Current				
Interfund payable	-	-	33,168	33,168
Accrued salaries and benefits	15,086	15,328	-	30,414
Accrued interest payable	19,061	8,617	-	27,678
Compensated absences	11,061	11,061	-	22,122
Accounts payable	29,696	112,352	341	142,389
Long-term debt payable-current	332,253	181,202	-	513,455
Total current liabilities	407,157	328,560	33,509	769,226
Noncurrent				
Pension plan payable	220,366	220,133	-	440,499
Long-term debt payable	1,709,369	1,106,693	-	2,816,062
Total noncurrent liabilities	1,929,735	1,326,826	-	3,256,561
Total liabilities	2,336,892	1,655,386	33,509	4,025,787
Net position				
Net investment in capital assets	2,351,449	1,973,897	-	4,325,346
Restricted				
Debt services	259,000	-	-	259,000
Unrestricted	2,142,576	2,832,348	22,624	4,997,548
Total net position (deficit)	$ 4,753,025	$ 4,806,245	$ 22,624	$ 9,581,894

The accompanying notes are an integral part of this statement.

City of Victor

Statement of Revenues, Expenses and Changes In Net Position

Year Ended September 30, 2023

	Business-Type Activities			
	Water	Sewer	Nonmajor Funds	Total
OPERATING REVENUES				
Charges for services	$ 1,303,815	$ 1,309,265	$ 16,671	$ 2,629,751
Miscellaneous	436,170	428,333	61,146	925,649
Total operating revenues	1,739,985	1,737,598	77,817	3,555,400
OPERATING EXPENSES				
Utilities	60,574	12,615	-	73,189
Treatment	7,353	336,938	-	344,291
Operation and maintenance	129,667	200,974	5,133	335,774
Salaries and benefits	327,274	327,420	7,448	662,142
Professional development	3,591	30	-	3,621
Parks & Street	-	-	12,356	12,356
Depreciation	235,087	147,192	-	382,279
Total operating expenses	763,546	1,025,169	24,937	1,813,652
Income (loss) from operations	976,439	712,429	52,880	1,741,748
NON-OPERATING REVENUES (EXPENSES)				
Investment Earnings	7,415	7,415	-	14,830
Interest Expense	(54,659)	(20,027)	-	(74,686)
Other Sources	(2,500)	(2,500)	-	(5,000)
Loss on disposal of assets	-	(10,312)	-	(10,312)
Total non-operating revenues (expenses)	(49,744)	(25,424)	-	(75,168)
Change in net position	926,695	687,005	52,880	1,666,580
Net position at October 1, 2022	3,826,330	4,119,240	(30,256)	7,915,314
Net position at September 30, 2023	$ 4,753,025	$ 4,806,245	$ 22,624	$ 9,581,894

The accompanying notes are an integral part of this statement.

City of Victor

Statement of Cash Flows Proprietary Funds

Year Ended September 30, 2023

	Business-type Activities			
	Water	Sewer	Nonmajor Funds	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers and other entities	$ 1,759,173	$ 1,723,472	$ 90,075	$ 3,572,720
Cash payments to suppliers for goods and services	(189,005)	(561,000)	(29,943)	(779,948)
Cash payments to employees for services provided	(286,494)	(286,507)	(7,448)	(580,449)
Net cash flows from operating activities	1,283,674	875,965	52,684	2,212,323
CASH FLOWS FROM CAPITAL AND RELATED FINANCING				
Purchase of property, plant, and equipment	(399,761)	(389,445)	-	(789,206)
Debt issuance cost	(2,500)	(2,500)	-	(5,000)
Interest paid on long-term debt	(48,611)	(20,027)	-	(68,638)
Change in long-term debt	229,587	373,595	-	603,182
Net cash flows from capital and related financing	(221,285)	(38,377)	-	(259,662)
CASH FLOWS FROM INVESTING ACTIVITIES				
Earnings on investments	7,415	7,415	-	14,830
Net cash flows from investing activities	7,415	7,415	-	14,830
Net increase (decrease) in cash	1,069,804	845,003	52,684	1,967,491
Cash at beginning of year	1,463,575	2,146,428	3,449	3,613,452
Cash at end of year	$ 2,533,379	$ 2,991,431	$ 56,133	$ 5,580,943
RECONCILIATION				
Cash	$ 2,274,379	$ 2,991,431	$ 56,133	$ 5,321,943
Restricted cash	259,000	-	-	259,000
Total cash per statement of net position	$ 2,533,379	$ 2,991,431	$ 56,133	$ 5,580,943
RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH FLOWS FROM OPERATING ACTIVITIES				
Income (loss) from operations	$ 976,439	$ 712,429	$ 52,880	$ 1,741,748
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES				
Depreciation	235,087	147,192	-	382,279
Decrease (increase) in accounts receivable	19,188	(14,126)	(196)	4,866
Increase (decrease) in accrued interest	-	8,617	-	8,617
Increase (decrease) in accrued salaries and benefits	8,756	8,889	-	17,645
Increase (decrease) in compensated absences	(1,531)	(1,531)	-	(3,062)
Increase (decrease) in Accounts payable	12,180	(19,060)	-	(6,880)
Net Change due to GASB 68	33,555	33,555	-	67,110
Net cash flows from operating activities	$ 1,283,674	$ 875,965	$ 52,684	$ 2,212,323

The accompanying notes are an integral part of this statement.

Note 1: Summary of Significant Accounting Policies

Introduction

The financial statements of the City of Victor (the "City") have been prepared in accordance with accounting principles generally accepted in the United States (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles and policies utilized by the City are described below:

Reporting Entity

The City is governed by an elected Mayor and City Council which together possess the final decision-making authority and is held primarily accountable for those decisions. The City Council is responsible for approving the budget, establishing spending limitations, funding and deficits and borrowing funds and/or issuing bonds to finance construction.

Discretely Presented Component Unit. In conformity with generally accepted accounting principles, the basic financial statements of Victor Urban Renewal Agency are required to be included in the financial reporting entity as a discretely presented component unit, emphasizing their nature as a legally separate entity from the City.

Victor Urban Renewal Agency (the Agency). This component unit has a board, which is appointed by the Mayor of the City with the advice and consent of the Victor City Council. The Victor Urban Renewal Agency rehabilitates deteriorating or deteriorated areas. It has a fiscal year end of September 30. For financial reporting purposes, the City of Victor, Idaho, combines the general maintenance and operating accounts of the Agency with all other funds which the management of the City has oversight responsibility and the governing authority to significantly influence operations.

There are no other boards, councils, or component units for which the City of Victor exercises authority.

Basis of Presentation

Government-Wide Financial Statements
The government-wide financial statements (i.e., the statement of net position and the statement of activities) display information about the reporting government as a whole. These statements include all nonfiduciary activities of the City. Governmental activities, which are normally supported by taxes, intergovernmental revenues, and other non-exchange transactions are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds and proprietary funds.

Note 1: Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

The statement of net position presents the financial condition of the governmental and business-type activities of the City at year-end. The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients for goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

The statement of net position presents the reporting entity's assets and liabilities, with the difference reported as net position (net investment in capital assets; restricted net position; or unrestricted net position). Net investment in capital assets consists of capital assets, net of accumulated depreciation, and reduced by outstanding debt. Restricted net position results when constraints placed on net position use are imposed by third parties through constitutional provisions or enabling legislation.

The City applies restricted resources first when an expense is incurred for a purpose for which both restricted and unrestricted net position are available. Depreciation expense that can be specifically identified by function is included in the direct expenses of each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the statement of activities.

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

Governmental Fund Types
Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses, and balance of current financial resources. The City reports the following major governmental funds:

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

Road and Bridge Funds – These funds are used to account for financial resources to be used for legally restricted specific purposes. The City uses these funds to account for the repair and maintenance of streets and street lights.

Capital Project Funds – These funds account for revenue derived primarily from intergovernmental resources and transfers from other funds designated for the construction of specific projects.

Local Option Tax – These funds account for revenue derived primarily from additional tax assessments designated for use in mitigating the effects of tourism for their City.

Note 1: Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

The City has one nonmajor governmental fund.

Proprietary Fund Types
Proprietary funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determinations of net income, financial position, and cash flow. All assets and liabilities are included on the statement of net position. The City reports the following major proprietary funds:

Water Fund – This fund accounts for the provision of water services to the residents of the City. Activities of the fund include administration, operations, and maintenance of the water system, and billing and collection activities.

Sewer Fund – This fund accounts for the provision of solid waste services to the residents of the City. Activities of the fund include administration, operations, and maintenance of the sewer system, and billing and collection activities.

The City has two nonmajor proprietary funds.

During the course of operations, the City has activity between funds for various purposes. Any residual balances outstanding at year end are reported as interfund receivable/payables. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

Note 1: Summary of Significant Accounting Policies (Continued)

Measurement Focus and Basis of Accounting

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

The governmental fund financial statements 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 (susceptible to accrual). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers all imposed nonexchange revenues reported in the governmental funds to be available if the revenues are collected within 60 days after the end of the current fiscal year.

Expenditures are recognized when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. Internally dedicated resources are reported as general revenue rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for services. Operating expenses for enterprise funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

Note 1: Summary of Significant Accounting Policies (Continued)

Budgetary Control

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the General, Special Revenue, and Proprietary Funds. All annual appropriations lapse at fiscal year end. The department heads submit the budget to the City Council and a public hearing is held prior to adoption of the budget. Prior to October 1, the budget is enacted through passage of an appropriation ordinance. The budget includes the General, Special Revenue, and Enterprise Funds. The level of control (level at which expenditures should not exceed budget) is the fund. The legal level of control is the appropriation ordinance.

Encumbrances represent commitments related to unperformed contracts for goods or services. As outlined on the face of the statement of net position and the statement of governmental funds balance sheet, the City sets aside funds according to their policies and needs.

The General, Road and Bridge, and Local Option Tax Fund statements of revenues, expenditures, and changes in fund balance present a comparison of budgetary data to actual results. These reports utilize the same basis of accounting for both budgetary purposes and actual results.

Cash and Investments

The City considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The City considers deposits with financial institutions, including nonnegotiable certificates of deposit, to be nonparticipating contracts reported at cost.

The cash balances of most of the City funds are pooled and invested. Each fund's share of the investment pool is reflected on its respective balance sheet.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices.

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date. A three-tier hierarchy prioritizes the inputs used in measuring fair value. These tiers include:

Level 1, defined as observable inputs such as quoted market prices in active markets;
Level 2, defined as inputs other than quoted market prices in active markets that are either directly or indirectly observable; and
Level 3, defined as unobservable inputs in which little or no market data exists, therefore, requiring an entity to develop its own assumptions.

The asset's or liability's fair value measurement within the hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Note 1: Summary of Significant Accounting Policies (Continued)

Prepaid Items

Prepaid items represent payments made by the City for which benefits extend beyond September 30, 2023. The costs of governmental fund type prepaid items are recorded as expenditures when used.

Receivables

Property taxes are recognized as revenue in the period for which the taxes are levied. The tax levy is used to finance operations of the City's fiscal year ended September 30, 2023. All property taxes are considered due as of the second Monday in January and are levied on the second Monday in September. Taxes are payable in two installments on December 20 and June 20 of the following year. All taxes collected within 60 days of September 30, 2023, are considered available to pay current liabilities. Amounts not collected are deferred and recognized when they become available to the City.

The City's Water & Sewer Fund accounts receivable are reported at their gross amount. The City estimates that the amount of uncollectible accounts would not be significant to the outstanding balance, therefore no amounts have been accrued for bad debt.

Other receivables in the governmental and proprietary funds are also recorded at gross. No allowance for uncollectible accounts has been provided, since it is believed that the amount of such allowance would not be material.

Capital Assets

Purchased or constructed capital assets, including property, plant, equipment, and infrastructure (roads, bridges, and similar items), are reported at cost or estimated historical cost in the government-wide financial statements. The City defines capital assets as assets with an initial cost of more than $5,000 and an estimated life in excess of one year.

Additions or improvements that significantly extend the useful life of an asset, or that significantly increase the capacity of an asset are capitalized. Expenditures for equipment, vehicles, real property acquisitions, improvements, and infrastructure are recorded as capital outlay. Donated assets are recorded at their fair market value at the date of donation. Maintenance and repairs of a routine nature are charged to expenses/expenditures as incurred and are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings	25-40 years
Improvements other than buildings	25-40 years
Furniture & fixtures	10-15 years
Equipment	10-20 years

Capital assets not being depreciated include land, water rights, and construction in progress (as applicable).

Note 1: Summary of Significant Accounting Policies (Continued)

Compensated Absences

All vacation and sick leave is accrued when incurred in the government-wide and proprietary fund statements, with vacation accruals being payable within one year. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bonds payable are reported net of applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Lease Accounting

The City is a lessee in multiple noncancelable leases. If the contract provides the City the right to substantially all the economic benefits and the right to direct the use of the identified asset, it is considered to be or contain a lease. Right-of-use (ROU) assets and lease liabilities are recognized at the lease commencement date based on the present value of the future lease payments over the expected lease term. The ROU asset is also adjusted for any lease prepayments made, lease incentives received, and initial direct costs incurred.

The lease liability is initially and subsequently recognized based on the present value of its future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or a rate. Increases (decreases) to variable lease payments due to subsequent changes in an index or rate are recorded as variable lease expense (income) in the future period in which they are incurred.

The discount rate used is the implicit rate in the lease contract, if it is readily determinable, or the City's incremental borrowing rate. The implicit rates of the District's leases are not readily determinable and accordingly, the City has elected to use the State's Diversified Bond Fund (DBF) portfolio rate. This rate is used to calculate the present value of future lease payments. This rate is an alternative investment rate for other than short-term investments and is materially the same as the rate the City might incur from an external lender.

Note 1: Summary of Significant Accounting Policies (Continued)

The ROU asset for operating leases is subsequently measured throughout the lease term at the amount of the remeasured lease liability (i.e., present value of the remaining lease payments), plus unamortized initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received, and any impairment recognized. The ROU asset for finance leases is amortized on a straight-line basis over the lease term. For all underlying classes of assets, the City has elected to not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less at lease commencement and do not include an option to purchase the underlying asset that the City is reasonably certain to exercise. Leases containing termination clauses in which either party may terminate the lease without cause and the notice period is less than 12 months are deemed short-term leases with lease costs included in short-term lease expense. The City recognizes short-term lease cost on a straight-line basis over the lease term.

In addition, the City has adopted a policy which evaluates the material nature of long-term leases as a group. For group calculations which fall below the policy threshold for recording, the City will not recognize the lease liability and ROU, and will instead expense these costs as incurred. Copier leases is one such group.

The City is a lessor in multiple noncancelable leases. The discount rate used is the implicit rate in the lease contract, if it is readily determinable, or the City's incremental borrowing rate. The City uses the incremental borrowing rate based on the information available at the commencement date for all leases. The City has elected to use the State's Diversified Bond Fund (DBF) portfolio rate. This rate is an alternative investment rate for other than short-term investments and is materially the same as the rate the City might incur from an external lender.

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has one item that qualifies for reporting in this category and it occurs on the government-wide statement of net position. The City reports deferred outflows of resources related to pensions for its proportionate shares of collective deferred outflows of resources related to pensions and City contributions to pension plans subsequent to the measurement date of the collective net pension liability (asset).

In addition to liabilities, the statements of net position and governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two types of items, one of which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available.

Note 1: Summary of Significant Accounting Policies (Continued)

Deferred Outflows/Inflows of Resources (Continued)

The last item, unearned lease revenue, is reported in both the statement of net position and the governmental funds balance sheet. Lease-related amounts are recognized at the inception of leases in which the City is the lessor. The deferred inflow of resources is recorded in an amount equal to the corresponding lease receivable plus certain additional amounts received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The inflow of resources is recognized in a systematic and rational manner of the term of the lease.

Pension Plan

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.

Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net position is reported as restricted when there are limitations imposed on its use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

When both restricted and unrestricted resources are available for use, it is the City's policy to use externally restricted resources first.

Fund Balances

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

> *Restricted fund balance:* This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Note 1: Summary of Significant Accounting Policies (Continued)

Fund Balances (Continued)

Committed fund balance: These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the City Council – the City's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the City Council removes the specified use by taking the same type of action that imposed the original commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned fund balance: This classification reflects the amounts constrained by the City's "intent" to be used for specific purposes, but the amounts are neither restricted nor committed. The City Board has the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned fund balance: This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the City's policy to use externally restricted resources first, then unrestricted resources – committed, assigned, and unassigned – in order as needed.

Risk Management

The City is exposed to a considerable number of risks of loss, including: (a) damage to and loss of property and contents; (b) employee torts; (c) professional liability, i.e. errors and omissions; (d) environmental damage; (e) workers' compensation, i.e. employee injuries; and (f) medical insurance costs of employees. Commercial policies transferring the risks of loss, except for relatively small deductible amounts, are purchased for property and content damage, employee torts, and professional liabilities. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States 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 expenditures during the reporting period. Actual results could differ from those estimates.

Note 1: Summary of Significant Accounting Policies (Continued)

Adoption of GASB Pronouncements

During the fiscal year ended September 30, 2023, the City implemented the following GASB Pronouncements:

GASB Statement No. 91, Conduit Debt Obligations: Issued May 2019, the objective of this statement is to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice for presentation and disclosures. This statement is effective for the fiscal years beginning after December 15, 2021. There was no impact on the City's financial statements.

GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability of Payment Arrangements: Issued March 2020, the objective of this statement is to improve reporting related to private-public and public-public partnerthip agreements (PPPs). This statement is effective for the fiscal years beginning after June 15, 2022. There was no impact on the City's financial statements.

GASB Statement No. 96, Subscription-Based Information Technology Arrangements: Issued May 2020, the objective of this statement is to provide guidance on accounting and financial reporting for subscription-based information technlogy arrangements (SBITAs) for government end users. This statement is effective for the fiscal years beginning after June 15, 2022. There was no impact on the City's financial statements.

The following GASB pronouncements have been issued, but are effective in the future:

GASB Statement No. 100, Accounting Changes and Error Corrections: Issued June 2022, the objective of this statement is to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This statement is effective for the fiscal years beginning after June 15, 2023.

GASB Statement No. 101, Compensated Absences: Issued June 2022, the objective of this statement is to update the recognition and measurement guidance for compensated absences to better meet the information needs of financial statement users. This statement is effective for the fiscal years beginning after June 15, 2023.

GASB Statement No. 102, Certain Risk Disclosures: Issued December 2023, the objective of this statement is to provide financial statement users with essential information about risks related to government's vulnerabilities due to certain concentrations or constraints. This statement is effective for the fiscal years beginning after June 15, 2024.

Subsequent Events

The City has evaluated subsequent events through May 20, 2024, which is the date the financial statements were available to be issued. There were no subsequent-type events required to be disclosed.

Note 2: Cash and Investments

Deposits with Financial Institutions

Custodial credit risk-deposits. In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. As of September 30, 2023, the City's bank balance was $3,012,681 of this amount, $2,457,146 was not insured or collateralized with securities in the City's name. The cash balance adjusted for outstanding transactions was $2,747,251 at September 30, 2023.

Investments

All of the City's investments measured or disclosed at fair value fall within Level 1 or 2 of the fair value hierarchy. The City invests in the Local Government Investment Pool (LGIP) through the Idaho State Treasurer. All funds are invested by the Idaho State Treasurer's office in accordance with Sections 67-1210 and 67-1210A of the Idaho Code. All investments for the LGIP are collateralized with securities held by the LGIP's safekeeping agent in the LGIP's name. The investments held by the LGIP are carried at cost, which is not materially different than fair value (determined by the Idaho State Treasurer's office). The investments are subject to risk from market and interest rate fluctuations. The City has included this in cash.

The City also invests with ProEquities, Inc. These investment accounts include fixed income investments through US government bonds and money market funds. The money market funds are included as cash in the financial statements. As of September 30, 2023, the City had the following investments:

	Cost Basis	Fair Value	Uncollateralized Investments
LGIP	$ 4,302,568	$ 4,302,568	$ -
Funds held in escrow	287,679	287,679	$ -
ProEquities, Inc.			
US Treasuries	1,250,000	1,195,278	1,195,278
US Gov't Bonds	2,500,000	2,376,057	2,376,057
Total investments	$ 8,340,247	$ 8,161,582	$ 3,571,335

Interest rate risk. Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City has no specific policy on the interest rate risk at year-end.

Credit risk. Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the actual rating as of year-end for each investment type.

Concentration of credit risk. The City's investment policy does not allow for an investment in any one issuer that is in excess of 5 percent of the City's total investments with the exception of US Gov't Bonds. The City utilizes a pooled investment concept for all its funds to maximize its investment program. Investment income from this internal pooling is allocated to the respective funds based upon the sources of funds invested.

Custodial credit risk-investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

Foreign Currency Risk. The City has no foreign currency risk for investments at year end.

Note 2: Cash and Investments (Continued)

Information about the sensitivity of the fair values of the City's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

	Remaining Maturity (in Years)				
Investment Type	**12 Months or Less**	**1-5 Years**	**5-10 Years**	Total	**Rating**
LGIP	$ 4,302,568	$ -	$ -	$ 4,302,568	N/A
Funds held in escrow	287,679	-	-	287,679	N/A
US Treasuries	731,635	463,643	-	1,195,278	N/A
US Gov't Bonds	246,493	2,129,564	-	2,376,057	AA+
Total Investments	$ 5,568,375	$ 2,593,207	$ -	$ 8,161,582	

Note 3: Capital Assets

Capital asset balances and activity for the year ended September 30, 2023, were as follows:

Governmental Activities:	**Balance 09/30/22**	**Increases**	**Decreases and Transfers**	**Balance 09/30/23**
Capital assets, not being depreciated:				
Land	$ 815,913	$ -	$ 1	$ 815,914
Work in progress	351,180	2,008,410	(930,432)	1,429,158
Total capital assets, not being depreciated	1,167,093	2,008,410	(930,431)	2,245,072
Capital assets, being depreciated:				
Buildings and improvements	1,308,415	-	510,286	1,818,701
Machinery and equipment	346,327	9,772	10,333	366,432
Parks	631,255	-	-	631,255
Infrastructure	3,197,078	107,433	397,653	3,702,164
Total capital assets, being depreciated	5,483,075	117,205	918,272	6,518,552
Accumulated depreciation:				
Buildings and improvements	(427,622)	(96,886)	(323)	(524,831)
Machinery and equipment	(191,869)	(17,621)	11,090	(198,400)
Parks	(307,994)	(14,061)	42	(322,013)
Infrastructure	(1,342,766)	(142,252)	1	(1,485,017)
Total accumulated depreciation	(2,270,251)	(270,820)	10,810	(2,530,261)
Total capital assets, being depreciated, net	3,212,824	(153,615)	929,082	3,988,291
Capital assets, being amortized:				
Right of Use assets	651,250	749	-	651,999
Accumulated amortization	(27,135)	(33,328)	-	(60,463)
Total capital assets, being amortized, net	624,115	(32,579)	-	591,536
Governmental activities capital assets, net	$ 5,004,032	$ 1,822,216	$ (1,349)	$ 6,824,899

Note 3: Capital Assets (Continued)

Business-type Activities:	Balance 09/30/22	Increases	Decreases and Transfers	Balance 09/30/23
Capital assets, not being depreciated:				
Land	$ 180,866	$ -	$ -	$ 180,866
Water Rights	290,000	-	-	290,000
Construction in progress	-	768,296	-	768,296
Total capital assets, not being depreciated	470,866	768,296	-	1,239,162
Capital assets, being depreciated:				
Buildings and improvements	102,140	-	-	102,140
Improvements other than buildings	10,634,484	10,315	-	10,644,799
Water & Sewer equipment	977,336	10,592	(63,828)	924,100
Total capital assets, being depreciated	11,713,960	20,907	(63,828)	11,671,039
Accumulated depreciation:				
Buildings and improvements	(55,116)	(3,985)	-	(59,101)
Improvements other than buildings	(4,417,835)	(294,803)	-	(4,712,638)
Water & Sewer equipment	(453,626)	(83,491)	53,518	(483,599)
Total accumulated depreciation	(4,926,577)	(382,279)	53,518	(5,255,338)
Total capital assets, being depreciated, net	6,787,383	(361,372)	(10,310)	6,415,701
Business-type activities capital assets, net	$ 7,258,249	$ 406,924	$ (10,310)	$ 7,654,863

Depreciation and amortization expense was charged to the governmental and business-type functions as follows:

Governmental activities:	
General control and administration	$ 147,836
Streets	142,251
Parks	14,061
Total depreciation and amortization expense, governmental activities	$ 304,148

Business-type activities:	
Water	$ 235,087
Sewer	147,192
Total depreciation expense, enterprise activities	$ 382,279

Note 4: 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*.

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.

Member and Employer Contributions

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

The contribution rates for employees are set by statute at 60% of the employer rate for general employees and 74% for public safety. As of June 30, 2023, it was 7.16% for general purpose employees and 9.13% for public safety. The employer contribution rate is set by the Retirement Board and was 11.94% for general employees and 12.28% for police and firefighters. The City's contributions were $97,121 for the year ended September 30, 2023.

Note 4: Pension Plan (Continued)

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

At September 30, 2023, the City reported an asset for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2023 and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability (asset) was based on the City's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2023, the City's proportion was .01834 percent.

For the year ended September 30, 2023, the City recognized pension expense of $196,201. At September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 125,456	$ -
Changes in assumptions or other inputs	72,475	-
Net difference between projected and actual earnings on pension plan investments	68,701	-
City contribution subsequent to the measurement date	25,679	-
Total	$ 292,311	$ -

$25,679 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 (asset) in the year ending September 30, 2024.

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

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

Year Ended September 30,	
2024	$ 94,820
2025	44,559
2026	138,616
2027	(11,363)
Total, Net subsequent contributions	266,632

Note 4: 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, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

Contributing Members, Service Retirement Members, and Beneficiaries

General Employees and All Beneficiaries - Males Pub-2010 General Tables, increased 11%.
General Employees and All Beneficiaries - Females Pub-2010 General Tables, increased 21%.
Teachers - Males Pub-2010 Teacher Tables, increased 12%.
Teachers - Females Pub-2010 Teacher Tables, increased 21%.
Fire & Police - Males Pub-2010 Safety Tables, increased 21%.
Fire & Police - Females Pub-2010 Safety Tables, increased 26%.
Disabled Members - Males Pub-2010 Disabled Tables, increased 38%.
Disabled Members - Females Pub-2010 Disabled Tables, increased 36%.
An experience study was performed for the period July 1, 2015, through June 30, 2020, which reviewed all economic and demographic assumptions other than mortality. The Total Pension Liability (Asset) as of June 30, 2023, is based on the results of an actuarial valuation date of July 1, 2023.

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

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

Note 4: Pension Plan (Continued)

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are as of 2023.

	DBS Plans	Sick leave
Fixed Income	30.00 %	50.00 %
US/ Global equity	55.00 %	39.30 %
International Equity	15.00 %	10.70 %

Discount Rate

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

	1% Decrease (5.35%)	% Discount rate (6.35%)	1% Increase (7.35%)
Employer's proportionate share of the net pension liability (asset)	$ 1,316,386	$ 731,918	$ 254,226

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 the7 required supplementary information for PERSI. That report may be obtained on the PERSI website at *www.persi.idaho.gov*.

Payables to the pension plan

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

Note 5: Interfund Balances and Activity

Interfund receivable and payable balances in the fund financial statements on September 30, 2023, are as follows:

Fund	Receivable	Payable
Road and bridge fund	-	203,742
Capital projects fund	203,742	-
Sewer fund	33,168	-
Irrigation fund	-	33,168
Total	$ 236,910	$ 236,910

The outstanding balance between the road and bridge and capital projects funds results from loans to purchase equipment for the road and bridge fund. The remaining outstanding loan amount is $203,742 and the City has set terms of repayment over 15 years with an annual payment of $20,374.

The outstanding balance between the sewer fund and the irrigation funds results from a short term loan to assist in funding operations. The City has not set terms for repayment at this time.

In the statement of net position, amounts reported in fund balance sheets as interfund balances have been eliminated within the governmental activities columns. Interfund transfers at September 30, 2023, were as follows:

Fund	Transfer In	Transfer Out
Major fund -		
General fund	$ 54,785	$ -
Road and bridge fund	131,625	-
Local option tax fund	-	186,410
Total	$ 186,410	$ 186,410

All transfers were made to assist cash flows within the City.

Note 6: Long-Term Obligations

Governmental Funds:
Compensated Absences - The City's benefits include a provision for compensated absences. The liability for this benefit is liquidated by the fund in which the employee is paid from.

Notes Payable - On August 25, 2023, the City entered into a lease purchase agreement for 138 N. Main Street for $600,000. The lease agreement has been amortized using a discount rate of at 5.75%. The agreement requires quarterly payments for 5 years of $34,733.

In November 2022, the City closed a note with Zion's Bank for $1,400,000 at a rate of 3.89%. The The agreement requires semi-annual payments for 5 years of principal and interest. These funds are for the construction of the public works facility and are managed via an escrow account with Zions. The cost has been split across water, sewer, and the local option tax funds equally. The amounts for the water and sewer funds are shown in the Business-Type Enterprise section below.

Note 6: Long-Term Obligations (Continued)

The following is a summary of the changes in long-term obligations for the year ended September 30, 2023, for the governmental activities:

	Balance at October 1, 2022	Increase	Decrease	Balance at September 30, 2023
Compensated absences	$ 15,630	$ 4,059	$ -	$ 19,689
Lease payable	633,236	-	21,891	611,345
Notes Payable	-	1,066,667	-	1,066,667
Pension plan payable	260,402	31,017	-	291,419
Total	$ 909,268	$ 1,101,743	$ 21,891	$ 1,989,120

The following is a schedule of principal and interest payments on long-term debt to maturity:

Year Ended September 30,	Principal	Interest	Total
2024	$ 216,145	$ 57,030	$ 273,175
2025	224,947	46,976	271,923
2026	236,144	36,474	272,618
2027	248,058	25,427	273,485
2028	260,680	13,807	274,487
Thereafter	492,038	49,502	541,540
Total	$ 1,678,012	$ 229,216	$ 1,907,228

Business-Type Enterprise Funds:

On May 15, 2006, the City issued water revenue bonds through Department of Environmental Quality for $2,000,000 at 3.5%. The bonds require semi-annual payments for 20 years of $69,944.

On July 28, 2014, the City issued water revenue bonds through Department of Environmental Quality for $2,000,000 at 1.75%. The bonds require semi-annual payments for 20 years of $59,485.

On June 21, 2016, the City closed a note with the City of Driggs for their portion of the sewer interceptor for $1,073,264 at 0.0%. The bonds require semi-annual payments for 20 years of $26,831.

The City is required to establish at the time of the issuance of the bond a reserve fund in an amount equal to 1 year's payment of principal and interest and the City has $259,000 in reserve as of the year ended September 30, 2023.

Following is a summary of the changes in long-term obligations for the year ended September 30, 2023:

	Beginning Balance October 1, 2022	Increase	Decrease	Ending Balance September 30, 2023	Amounts Due Within One Year
Compensated absences	25,184	-	3,062	22,122	22,122
2006 water revenue bond	462,809	-	124,060	338,749	129,114
2014 water revenue bond	1,279,363	-	96,130	1,183,233	98,624
2016 Driggs wastewater loan	751,286	-	53,663	697,623	53,663
Notes Payable	-	933,334	-	933,334	174,494
Pension plan payable	405,648	34,851	-	440,499	-
Financed purchase	232,877	-	56,299	176,578	57,560
Total	$ 3,157,167	$ 968,185	$ 333,214	$ 3,792,138	$ 535,577

Note 6: Long-Term Obligations (Continued)

The following is a schedule of principal and interest payments on long-term debt to maturity:

Year Ended September 30,	Principal	Interest	Total
2024	$ 513,455	$ 68,088	$ 581,543
2025	525,566	53,473	579,039
2026	477,846	38,444	516,290
2027	350,770	26,588	377,358
2028	360,291	17,138	377,429
Thereafter	1,101,589	38,815	1,140,404
Total	$ 3,329,517	$ 242,546	$ 3,572,063

Lease Obligation - The City has several lease agreements. Refer to Note 8 for additional information on these leases and the required annual cash flows. Depreciation expense of assets held under the lease obligations are described as right of use assets and included in the total depreciation as disclosed in Note 3, and details of the leases and maturity schedule are disclosed in Note 8.

Note 7: Driggs Wastewater Agreement

The City is participating in an inter-city agreement with the City of Driggs for the treatment of wastewater from the City of Victor. Under this agreement, the City of Victor assists in the repayment of a bond taken by the City of Driggs for the upgrade and reconstruction of their current wastewater treatment plant in order to increase their capacity based on the 2014 annual flow or $151,985 per year. In addition, the City of Victor agreed to cover a portion of monthly operations of this plant in a cost-sharing agreement. The agreement started in October 2011 and extends for 20 years from the date thereof with 2 options to extend for an additional 5 years each.

The City of Driggs assesses and collects based on every 1,000 gallons of flow received each month.

In the event of further capital improvements, the City of Victor can choose to participate in the payment of expenditures based on a cost-sharing plan, or to have the City of Driggs pass through a proportionate share of debt related to the capital improvements.

The City of Driggs has a fiscal year end of September 30. Financial statements are available at the City of Driggs website at *www.driggsidaho.org/finance*.

Note 8: Leases

Changes in leases payable consisted of the following for the year ended September 30, 2023:

	Balance 10/1/2022	Additions	Reductions	Balance 09/30/23	Amounts due Within One Year
US Bank Space Rental	$ 633,236	$ -	$ (21,891)	$ 611,345	$ 22,195

City as Lessee

The terms and expiration dates of the City's leases payable at September 30, 2023, follow:

On December 15, 2021, the City entered into a space lease agreement with U.S. Bank for office space. The lease agreement is for 120 months with a renewal option for an additional 120 months, which the City intends to use. Required base monthly rent is $2,541 with a 3% increase starting on the fourth anniversary and each month thereafter until termination. The lease liability is calculated using an interest rate of 1.38%

Future minimum lease payments as of September 30, 2023, are:

	Principal	Interest	Total
2024	$ 22,195	$ 8,297	$ 30,492
2025	22,504	7,988	30,492
2026	23,583	7,672	31,255
2027	24,854	7,338	32,192
2028	26,171	6,987	33,158
2029 - 2033	152,324	28,996	181,320
2034 - 2038	193,055	17,145	210,200
2039 - 2043	146,659	3,360	150,019
Total	$ 611,345	$ 87,783	$ 699,128

City as Lessor

The City, as a lessor, has entered into a lease agreement with AT&T Tower land space. The lease requires AT&T to pay a monthly payment. The base rent amount for 2022 was $4,052 with a 3% increase on the anniversary day of the lease, which is of each year. The rent receivable is calculated at a discount rate of 1.36% . The total amount of inflows of resources, including lease revenue, interest revenue, and other lease-related inflows recognized during the fiscal year was $49,230. This total includes $- of variable and other payments not previously included in the measurement of the lease receivable.

The future minimum lease payments to be received under these leases are as follows:

	Principal	Interest	Total
2024	$ 46,881	$ 5,347	$ 52,228
2025	49,099	4,696	53,795
2026	51,395	4,014	55,409
2027	53,771	3,300	57,071
2028	56,229	2,553	58,782
2029 - 2033	157,019	2,898	159,917
Total	$ 414,394	$ 22,808	$ 437,202

Note 9: Victor Urban Renewal Agency

Reporting Entity. The component unit in the government-wide financial statements includes the financial data of the Victor Urban Renewal Agency (Agency), the City's only discretely presented component unit. It is reported in a separate column to emphasize that it is legally separate from the City in accordance with state urban renewal law.

Summary of Significant Accounting Policies. The basis of accounting for the government-wide financial statements is the accrual basis of accounting.

Cash and Investments. At September 30, 2023, the carrying amount and bank balance of the Agency's deposits was $246,041. The entire balance was covered by federal depository insurance.

Notes Payable. The Agency entered into an agreement with the City of Victor for capital improvement projects. This agreement was re-negotiated between the two entities in May 2024, subsequent to year end, as the previous terms were not clearly documented. The new agreement includes 0% interest, and annual payments of $15,461 starting in fiscal year 2023. In May 2024 City paid $15,460 and the remaining balance due as of September 30, 2023 was $197,606 and last payment will be September 30, 2034. Future debt service payments on the note will be paid from property tax collections of the Agency. A summary of the changes in the General Long-term Debt is as follows:

2024	$	15,461
2025		15,461
2026		15,461
2027		15,461
2028		15,461
Thereafter		104,841
Total	$	182,146

Property Tax Revenue. Property taxes are recognized as revenue in the period for which the taxes are levied. The tax levy is used to finance operations of the Agency's fiscal year ended September 30, 2023. All property taxes are considered due as of the second Monday in January and are levied on the second Monday in September. Taxes are payable in two installments on December 20 and June 20 of the following year. All taxes collected within 60 days of September 30, 2023, are considered available to pay current liabilities. Amounts not collected are deferred and recognized when they become available to the Agency.

Economic Dependency. The Agency receives all of its income based on tax collections.

Required Supplemental Information

City of Victor

Statement of Revenues, Expenditures, and Changes in Fund Balance
-Budget to Actual-
Governmental Funds

Year Ended September 30, 2023

	General Fund		
	Original and Final Budget	Actual	Variance with Final Budget
Revenues			
Property Taxes	$ 534,643	$ 559,082	$ 24,439
Licenses and Permits	10,000	10,850	850
Penalty Fees	10,000	14,104	4,104
Intergovernmental revenue	409,070	390,086	(18,984)
Planning	90,000	123,834	33,834
Recreation Fees	3,000	5,172	2,172
Investment Earnings	-	198,212	198,212
Misc. Operating Revenues	56,478	62,706	6,228
Total revenues	1,113,191	1,364,046	250,855
Expenditures			
Salaries and wages	644,057	634,880	9,177
Office Expense	46,770	41,964	4,806
Professional Fees	217,982	211,022	6,960
Repairs & Maint	2,000	1,130	870
Contributions	36,000	36,000	-
Software expense	61,830	61,198	632
Utilities	37,466	3,438	34,028
Miscellaneous	111,315	92,426	18,889
Interest Expense	-	30,492	(30,492)
Parks & Street	5,771	3,448	2,323
Total expenditures	1,163,191	1,115,998	47,193
Excess of revenue over (under) expenditures	(50,000)	248,048	298,048
Other Financing Sources (Uses)			
Operating transfers in	50,000	54,785	4,785
Total other financing sources (uses)	50,000	54,785	4,785
Net change in fund balance	$ -	302,833	$ 302,833
Fund Balance, beginning of year		1,394,838	
Fund Balance, end of year		$ 1,697,671	

City of Victor

Statement of Revenues, Expenditures, and Changes in Fund Balance
-Budget to Actual-
Governmental Funds

Year Ended September 30, 2023

	Road & Bridge		
	Original and Final Budget	Actual	Variance with Final Budget
Revenues			
Intergovernmental revenue	$ 271,175	$ 312,443	$ 41,268
Misc. Operating Revenues	3,616	9,791	6,175
Total revenues	274,791	322,234	47,443
Expenditures			
Salaries and wages	97,341	98,550	(1,209)
Parks & Streets	309,075	232,657	76,418
Total expenditures	406,416	331,207	75,209
Excess of revenue over (under) expenditures	(131,625)	(8,973)	122,652
Other Financing Sources (Uses)			
Transfers, net	131,625	131,625	-
Total other financing sources (uses)	131,625	131,625	-
Net change in fund balance	$ -	122,652	$ 122,652
Fund Balance, beginning of year		372,682	
Fund Balance, end of year		$ 495,334	

City of Victor

Statement of Revenues, Expenditures, and Changes in Fund Balance
-Budget to Actual-
Governmental Funds

Year Ended September 30, 2023

	Local Option Tax		
	Original and Final Budget	Actual	Variance with Final Budget
Revenues			
Intergovernmental revenue	$ 1,095,700	$ 1,030,494	$ (65,206)
Investment Earnings	-	7,415	7,415
Misc. Operating Revenues	-	434,834	434,834
Total revenues	1,095,700	1,472,743	377,043
Expenditures			
Law Enforcement	217,400	69,110	148,290
Capital Outlay	573,050	1,126,415	(553,365)
Parks & Streets	118,840	89,359	29,481
Total expenditures	909,290	1,284,884	(375,594)
Excess of revenue over (under) expenditures	186,410	187,859	1,449
Other Financing Sources (Uses)			
Transfers, net	(186,410)	(186,410)	-
Other Sources	-	464,167	464,167
Total other financing sources (uses)	(186,410)	277,757	464,167
Net change in fund balance	$ -	465,616	$ 465,616
Fund Balance, beginning of year		1,269,305	
Fund Balance, end of year		$ 1,734,921	

City of Victor

Schedule of Employer's Share of the Net Pension Liability

PERSI-Base Plan Last 10-Fiscal Years

For the Year Ended September 30, 2023

	2023	2022	2021	2020	2019
City's portion of the Net Pension Liability (asset)	0.018340 %	0.016910 %	0.019350 %	0.018250 %	0.017560 %
City's proportionate share of the Net Pension Liability (amount)	731,918	666,050	(15,282)	423,896	200,416
City's Covered Payroll	779,837	667,690	721,880	660,565	625,456
City's Proportionate Share as a percent of Covered Payroll	93.86 %	99.75 %	(2.12)%	64.17 %	32.04 %
Plan Fiduciary Net Position as a percent of Total Pension Liability	83.83 %	83.09 %	100.36 %	88.22 %	93.79 %

	2018	2017	2016	2015
City's portion of the Net Pension Liability (asset)	0.016800 %	0.017280 %	0.016470 %	0.016570 %
City's proportionate share of the Net Pension Liability (amount)	247,860	271,612	333,158	218,158
City's Covered Payroll	533,365	530,362	487,381	468,612
City's Proportionate Share as a percent of Covered Payroll	46.47 %	51.21 %	68.36 %	46.55 %
Plan Fiduciary Net Position as a percent of Total Pension Liability	91.69 %	90.68 %	87.26 %	91.38 %

* 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 will present information for those years for which information is available.

The amounts presented for each fiscal year were determined as of June 30, 2023, the measurement date.

City of Victor

Schedule of Employer's Contribution

PERSI-Base Plan Last 10-Fiscal Years

For the Year Ended September 30, 2023

	2023	2022	2021	2020	2019
Statutorily Required Contribution	$ 97,122	$ 81,953	$ 82,898	$ 81,024	$ 72,674
Contributions in relation to the statutorily required contribution	97,121	81,954	82,898	81,026	72,350
Contribution (deficiency) excess	(1)	1	0	2	(324)
City's Covered Payroll	824,907	686,371	694,285	678,589	630,301
Contributions as percentage of covered payroll	11.77 %	11.94 %	11.94 %	11.94 %	11.48 %

	2018	2017	2016	2015
Statutorily Required Contribution)	$ 60,377	$ 60,037	55,172	54,190
Contributions in relation to the statutorily required contribution	60,387	59,527	54,950	53,219
Contribution (deficiency) excess	10	(510)	(222)	(971)
City's Covered Payroll	533,365	530,362	487,381	468,612
Contributions as percentage of covered payroll	11.32 %	11.22 %	11.27 %	11.36 %

* 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 will present information for those years for which information is available.

The amounts presented for each fiscal year were determined as of June 30, 2023, the reporting date.

WIPFLI

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*

Mayor and City Council
City of Victor
Victor, Idaho

We have audited, 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, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Victor, as of and for the year ended September 30, 2023 and the related notes to the financial statements, which collectively comprise the City of Victor's basic financial statements, and have issued our report thereon dated May 20, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Victor's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Victor's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Victor'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 reasonable possibility that a material misstatement of the City of Victor's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Victor'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 financial statements. 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 of Victor'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 City of Victor's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Wipfli LLP

Wipfli LLP

Idaho Falls, Idaho
May 20, 2024