

**CITY OF WILDER, IDAHO**

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Report on Audited  
Basic  
Financial Statements  
and  
Supplemental Information

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For the Year Ended September 30, 2020

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## **Independent Auditor's Report**

Honorable Mayor  
and City Council  
Wilder, Idaho

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the remaining fund information of the City of Wilder, Idaho (the City), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the remaining fund information of the City of Wilder, Idaho, as of September 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, schedule of the City's proportionate share of the net pension liability, and the schedule of City contributions on pages 31 through 36 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Wilder, Idaho's basic financial statements. The schedules of revenue by source and expenditures by object are presented for purposes of additional analysis and are not a required part of the basic financial statements

The schedules of revenue by source and expenditure by object are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of revenue by source and expenditures by object are fairly stated in all material respects in relation to the basic financial statements as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2020, on our consideration of the City of Wilder, Idaho's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Wilder, Idaho's internal control over financial reporting and compliance.

*Zwysart John & Associates, CPAs, PLLC*

Nampa, Idaho  
December 16, 2020

**City of Wilder, Idaho**  
Statement of Net Position  
September 30, 2020

	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 322,053	\$ 1,882,188	\$ 2,204,241
Investments	58,421	52,834	111,255
Property Taxes Receivable, Net	19,551	-	19,551
Accounts Receivable, Net	-	114,861	114,861
Prepaid Items	12,132	1,553	13,685
Due from Other Governments	16,864	-	16,864
Noncurrent Assets:			
Restricted Cash	-	166,718	166,718
Capital Assets:			
Land	61,007	81,566	142,573
Buildings and Improvements, Net	361,549	2,123,135	2,484,684
Equipment, Net	61,310	392,560	453,870
Total Capital Assets	<u>483,866</u>	<u>2,597,261</u>	<u>3,081,127</u>
<b>Total Assets</b>	<u>912,887</u>	<u>4,815,415</u>	<u>5,728,302</u>
<b>Deferred Outflows</b>			
Pension Related Items	<u>41,999</u>	<u>22,616</u>	<u>64,615</u>
Total Deferred Outflows	<u>41,999</u>	<u>22,616</u>	<u>64,615</u>
<b>Liabilities</b>			
Current Liabilities:			
Accounts Payable	445	263	708
Salaries and Benefits Payable	13,273	8,149	21,422
Customer Deposits	-	39,491	39,491
Accrued Interest Payable	-	45,703	45,703
Long-term Liabilities:			
Portion Due or Payable Within One Year:			
Bond Payable	-	80,287	80,287
Compensated Absences	5,939	10,043	15,982
Portion Due or Payable After One Year:			
Bond Payable	-	1,709,444	1,709,444
Compensated Absences	2,970	5,021	7,991
Net Pension Liability	<u>165,613</u>	<u>89,176</u>	<u>254,789</u>
<b>Total Liabilities</b>	<u>188,240</u>	<u>1,987,577</u>	<u>2,175,817</u>
<b>Deferred Inflows</b>			
Pension Related Items	<u>7,357</u>	<u>3,960</u>	<u>11,317</u>
Total Deferred Inflows	<u>7,357</u>	<u>3,960</u>	<u>11,317</u>
<b>Net Position</b>			
Invested in Capital Assets, Net of Related Debt	483,866	807,530	1,291,396
Restricted for:			
Debt Reserve	-	166,718	166,718
Roads and Streets	159,470	-	159,470
Parks	27,784	-	27,784
Unrestricted (Deficit) Surplus	88,169	1,872,246	1,960,415
<b>Total Net Position</b>	<u>\$ 759,289</u>	<u>\$ 2,846,494</u>	<u>\$ 3,605,783</u>

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

**City of Wilder, Idaho**  
Statement of Activities  
For the Year Ended September 30, 2020

	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
		Governmental Activities	Business-type Activities				
<b>Primary Government:</b>							
Governmental Activities:							
Administrative	\$ 116,379	\$ -	\$ -	\$ -	\$ (116,379)	\$ -	\$ (116,379)
General	95,156	60,255	90,769	-	55,868	-	55,868
Planning and Zoning	18,561	-	-	-	(18,561)	-	(18,561)
Police	450,502	75,604	-	-	(374,898)	-	(374,898)
Parks	41,354	3,750	-	20,000	(17,604)	-	(17,604)
Streets	135,317	-	-	23,000	(112,317)	-	(112,317)
<b>Total Governmental Activities</b>	<b>857,269</b>	<b>139,609</b>	<b>90,769</b>	<b>43,000</b>	<b>(583,891)</b>	<b>-</b>	<b>(583,891)</b>
Business-type Activities:							
Water	343,674	294,639	-	-	-	(49,035)	(49,035)
Sewer	509,664	415,729	-	-	-	(93,935)	(93,935)
Sanitation	138,194	135,028	-	-	-	(3,166)	(3,166)
Irrigation	62,315	60,220	-	-	-	(2,095)	(2,095)
<b>Total Business-type Activities</b>	<b>1,053,847</b>	<b>905,616</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(148,231)</b>	<b>(148,231)</b>
<b>Total Primary Government</b>	<b>\$ 1,911,116</b>	<b>\$ 1,045,225</b>	<b>\$ 90,769</b>	<b>\$ 43,000</b>	<b>(583,891)</b>	<b>(148,231)</b>	<b>(732,122)</b>
General Revenues:							
Property Taxes					345,810	-	345,810
State Sources					299,599	-	299,599
Other					4,541	320	4,861
Sale of Capital Assets					4,858	-	4,858
Unrestricted Investment Earnings					7,048	29,740	36,788
<b>Total General Revenues and Special Items</b>					<b>661,856</b>	<b>30,060</b>	<b>691,916</b>
Change in Net Position					77,965	(118,171)	(40,206)
Net Position, Beginning of Year					681,324	2,964,665	3,645,989
Net Position, End of Year					<b>\$ 759,289</b>	<b>\$ 2,846,494</b>	<b>\$ 3,605,783</b>

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

**City of Wilder, Idaho**  
Balance Sheet -  
Governmental Funds  
September 30, 2020

	General	Roads and Streets	Parks	Total Governmental Funds
<b>Assets</b>				
Cash and Cash Equivalents	\$ 148,862	\$ 145,138	\$ 28,053	\$ 322,053
Investments	43,023	15,398	-	58,421
Receivables, Net:				
Property Tax	17,616	718	1,217	19,551
Prepaid Items	11,532	557	43	12,132
Due from Other Governments	16,864	-	-	16,864
<b>Total Assets</b>	<b><u>\$ 237,897</u></b>	<b><u>\$ 161,811</u></b>	<b><u>\$ 29,313</u></b>	<b><u>\$ 429,021</u></b>
<b>Liabilities</b>				
Accounts Payable	\$ 445	\$ -	\$ -	\$ 445
Salaries and Benefits Payable	11,650	1,184	439	13,273
<b>Total Liabilities</b>	<b><u>12,095</u></b>	<b><u>1,184</u></b>	<b><u>439</u></b>	<b><u>13,718</u></b>
<b>Deferred Inflows</b>				
Unavailable Revenue - Property Taxes	15,346	600	1,047	16,993
<b>Fund Balances</b>				
Nonspendable:				
Prepays	11,532	557	43	12,132
Restricted	-	159,470	27,784	187,254
Unassigned	198,924	-	-	198,924
<b>Total Fund Balances</b>	<b><u>210,456</u></b>	<b><u>160,027</u></b>	<b><u>27,827</u></b>	<b><u>398,310</u></b>
<b>Total Liabilities, Deferred Inflows     and Fund Balances</b>	<b><u>\$ 237,897</u></b>	<b><u>\$ 161,811</u></b>	<b><u>\$ 29,313</u></b>	<b><u>\$ 429,021</u></b>

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



**City of Wilder, Idaho**  
 Reconciliation of the Balance Sheet of the  
 Governmental Funds to the Statement of Net Position  
 September 30, 2020

Total Fund Balances - Governmental Funds \$ 398,310

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

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

Land	\$ 61,007	
Buildings and Improvements, Net of \$141,472 accumulated depreciation	361,549	
Equipment, Net of \$183,001 accumulated depreciation	<u>61,310</u>	483,866

Property taxes receivable will be collected this year, but are not available soon enough to pay for current period expenditures and, therefore, are deferred in the funds. 16,993

Long-term liabilities, including compensated absences, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year end consist of:

Compensated Absences	<u>\$ (8,909)</u>	(8,909)
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The City participates in the Public Employer Retirement System of Idaho, which is a cost-sharing plan. As a participant they are required to report their share of the Net Pension Liability and the related deferred inflows and outflows on their Statement of Net Position.

Net Pension Liability	\$ (165,613)	
Pension Related Deferred Inflows	(7,357)	
Pension Related Deferred Outflows	<u>41,999</u>	<u>(130,971)</u>

Net Position of Governmental Activities \$ 759,289

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

**City of Wilder, Idaho**  
Statement of Revenues, Expenditures, and  
Changes in Fund Balances -  
Governmental Funds  
For the Year Ended September 30, 2020

	General	Roads and Streets	Parks	Total Governmental Funds
<b>Revenues</b>				
Property Taxes	\$ 320,163	\$ 2,664	\$ 22,131	\$ 344,958
Intergovernmental	188,460	111,139	-	299,599
Grants and Contributions	90,769	23,000	20,000	133,769
Licenses and Permits	135,593	-	-	135,593
Charges for Services	266	-	3,750	4,016
Interest Earned	4,642	2,137	269	7,048
Other	3,941	50	550	4,541
<b>Total Revenues</b>	<u>743,834</u>	<u>138,990</u>	<u>46,700</u>	<u>929,524</u>
<b>Expenditures</b>				
Current:				
Administrative	90,700	-	-	90,700
General	59,463	114,015	34,766	208,244
Planning and Zoning	18,561	-	-	18,561
Police	413,052	-	-	413,052
Capital Outlay	55,053	23,452	4,154	82,659
<b>Total Expenditures</b>	<u>636,829</u>	<u>137,467</u>	<u>38,920</u>	<u>813,216</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>107,005</u>	<u>1,523</u>	<u>7,780</u>	<u>116,308</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Assets	4,664	3,657	837	9,158
<b>Total Other Financing Sources (Uses)</b>	<u>4,664</u>	<u>3,657</u>	<u>837</u>	<u>9,158</u>
<b>Net Change in Fund Balances</b>	111,669	5,180	8,617	125,466
Fund Balances - Beginning	98,787	154,847	19,210	272,844
<b>Fund Balances - Ending</b>	<u>\$ 210,456</u>	<u>\$ 160,027</u>	<u>\$ 27,827</u>	<u>\$ 671,154</u>

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

**City of Wilder, Idaho**  
 Reconciliation of the Statement of Revenues,  
 Expenditures, and Changes in Fund Balances of the  
 Governmental Funds to the Statement of Activities  
 For the Year Ended September 30, 2020

Total Net Change in Fund Balance - Governmental Funds \$ 125,466

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

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

Capital Outlay	21,418	
Depreciation	(36,192)	
Disposed Capital Assets	<u>(4,300)</u>	
		(19,074)

Because some property taxes will not be collected for several months after the City's fiscal year ends, they are not considered as "available" revenues in the governmental funds and are, instead, counted as deferred tax revenues. They are, however, recorded as revenues in the Statement of Activities. 852

The City participates in the Public Employer Retirement System of Idaho, which is a cost-sharing plan. As a participant they are required to report their share of the Net Pension Liability and the related deferred inflows and outflows on their Statement of net Position. The changes in the Net Pension Liability and the related deferred inflows and outflows does not affect the governmental funds, but are reported in the Statement of Activities. (29,279)

Change in Net Position of Governmental Activities \$ 77,965

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

**City of Wilder, Idaho**  
Statement of Net Position -  
Proprietary Funds  
September 30, 2020

	Water	Sewer	Sanitation	Non Major Irrigation	Total
<b>Assets</b>					
Current Assets:					
Cash and Cash Equivalents	\$ 758,952	\$ 1,066,095	\$ 31,443	\$ 25,698	\$ 1,882,188
Investments	-	52,834	-	-	52,834
Accounts Receivable, Net	33,404	34,571	11,484	35,402	114,861
Prepaid Items	712	664	33	144	1,553
Total Current Assets	<u>793,068</u>	<u>1,154,164</u>	<u>42,960</u>	<u>61,244</u>	<u>2,051,436</u>
Noncurrent Assets:					
Restricted Cash	46,826	119,892	-	-	166,718
Capital Assets:					
Land	59,170	22,396	-	-	81,566
Buildings and Improvements, Net	579,598	1,543,537	-	-	2,123,135
Equipment, Net	208,519	176,625	-	7,416	392,560
Total Noncurrent Assets	<u>894,113</u>	<u>1,862,450</u>	<u>-</u>	<u>7,416</u>	<u>2,763,979</u>
Total Assets	<u>1,687,181</u>	<u>3,016,614</u>	<u>42,960</u>	<u>68,660</u>	<u>4,815,415</u>
<b>Deferred Outflows</b>					
Pension Related Items	8,401	7,754	1,938	4,523	22,616
Total Deferred Outflows	<u>8,401</u>	<u>7,754</u>	<u>1,938</u>	<u>4,523</u>	<u>22,616</u>
<b>Liabilities</b>					
Current Liabilities:					
Accounts Payable	-	-	263	-	263
Customer Deposits	39,491	-	-	-	39,491
Salaries and Benefits Payable	3,541	3,541	321	746	8,149
Compensated Absences	3,331	3,331	1,608	1,772	10,043
Accrued Interest Payable	12,803	32,900	-	-	45,703
Bonds, Notes, and Loans Payable	29,584	50,703	-	-	80,287
Total Current Liabilities	<u>88,750</u>	<u>90,475</u>	<u>2,192</u>	<u>2,518</u>	<u>183,936</u>
Noncurrent Liabilities:					
Compensated Absences	1,666	1,666	804	886	5,021
Bonds, Notes, and Loans Payable	251,528	1,457,916	-	-	1,709,444
Net Pension Liability	33,122	30,575	7,644	17,835	89,176
Total Noncurrent Liabilities	<u>286,316</u>	<u>1,490,157</u>	<u>8,448</u>	<u>18,721</u>	<u>1,803,641</u>
Total Liabilities	<u>375,066</u>	<u>1,580,632</u>	<u>10,640</u>	<u>21,239</u>	<u>1,987,577</u>
<b>Deferred Inflows</b>					
Pension Related Items	1,471	1,357	340	792	3,960
Total Deferred Inflows	<u>1,471</u>	<u>1,357</u>	<u>340</u>	<u>792</u>	<u>3,960</u>
<b>Net Position</b>					
Invested in Capital Assets, Net of Related Debt	566,175	233,939	-	7,416	807,530
Restricted - Debt Reserve	46,826	119,892	-	-	166,718
Unrestricted	706,044	1,088,548	33,918	43,736	1,872,246
Total Net Position	<u>\$ 1,319,045</u>	<u>\$ 1,442,379</u>	<u>\$ 33,918</u>	<u>\$ 51,152</u>	<u>\$ 2,846,494</u>

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

**City of Wilder, Idaho**  
Statement of Revenues, Expenses, and Changes  
in Fund Net Position - Proprietary Funds  
For the Year Ended September 30, 2020

	<u>Water</u>	<u>Sewer</u>	<u>Sanitation</u>	<u>Non Major Irrigation</u>	<u>Total</u>
<b>Operating Revenues</b>					
Charges for Services	\$ 294,639	\$ 415,729	\$ 135,028	\$ 60,220	\$ 905,616
<b>Total Operating Revenues</b>	<u>294,639</u>	<u>415,729</u>	<u>135,028</u>	<u>60,220</u>	<u>905,616</u>
<b>Operating Expenses</b>					
Salaries	70,934	70,516	7,668	24,942	174,060
Benefits	44,088	43,448	5,959	14,857	108,352
Insurance	5,800	5,800	100	20	11,720
Supplies	11,935	28,134	270	726	41,065
Professional Services	20,617	43,881	2,788	2,056	69,342
Utilities	14,381	28,747	806	6,168	50,102
Travel	332	344	-	-	676
Miscellaneous	5,799	10,895	550	204	17,448
Repairs and Maintenance	36,928	32,507	120,053	12,765	202,253
Depreciation	119,065	179,399	-	577	299,041
<b>Total Operating Expenses</b>	<u>329,879</u>	<u>443,671</u>	<u>138,194</u>	<u>62,315</u>	<u>974,059</u>
<b>Income (Loss) From Operations</b>	<u>(35,240)</u>	<u>(27,942)</u>	<u>(3,166)</u>	<u>(2,095)</u>	<u>(68,443)</u>
<b>Nonoperating Revenues (Expenses)</b>					
Interest Earned	11,605	18,124	-	11	29,740
Interest Expense	(13,795)	(65,993)	-	-	(79,788)
Other	320	-	-	-	320
<b>Total Nonoperating Revenues (Expenses)</b>	<u>(1,870)</u>	<u>(47,869)</u>	<u>-</u>	<u>11</u>	<u>(49,728)</u>
<b>Change in Net Position</b>	<u>(37,110)</u>	<u>(75,811)</u>	<u>(3,166)</u>	<u>(2,084)</u>	<u>(118,171)</u>
<b>Total Net Position - Beginning - Previous Prior Period Adjustment</b>	1,356,155	1,518,190	37,084	53,236	2,964,665
<b>Total Net Position - Beginning</b>	<u>1,356,155</u>	<u>1,518,190</u>	<u>37,084</u>	<u>53,236</u>	<u>2,964,665</u>
<b>Total Net Position - Ending</b>	<u>\$ 1,319,045</u>	<u>\$ 1,442,379</u>	<u>\$ 33,918</u>	<u>\$ 51,152</u>	<u>\$ 2,846,494</u>

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

**City of Wilder, Idaho**  
Statement of Cash Flows -  
Proprietary Funds  
For the Year Ended September 30, 2020

	Water	Sewer
<b>Cash Flows From Operating Activities</b>		
Receipts from Customers	\$ 289,484	\$ 414,717
Payments to Suppliers	(196,837)	(214,165)
Payments to Employees	(63,712)	(63,688)
Net Cash Provided (Used) by Operating Activities	28,935	136,864
 <b>Cash Flows From Noncapital Financing Activities</b>		
Other	320	-
Net Cash Provided (Used) by Noncapital Financing Activities	320	-
 <b>Cash Flows From Capital and Related Financing Activities</b>		
Purchases and Construction of Capital Assets	(28,253)	(2,568)
Principal Paid on Capital Debt	(28,209)	(48,758)
Interest Paid on Capital Debt	(15,079)	(67,057)
Net Cash Used by Capital and Related Financing Activities	(71,541)	(118,383)
 <b>Cash Flows From Investing Activities</b>		
Purchases of Investments	-	-
Interest and Dividends	11,605	18,124
Net Cash Provided (Used) by Investing Activities	11,605	18,124
 Net Increase (Decrease) in Cash and Cash Equivalents	(30,681)	36,605
 <b>Cash and Cash Equivalents - Beginning</b>	836,459	1,149,382
<b>Cash and Cash Equivalents - Ending</b>	\$ 805,778	\$ 1,185,987
 <b>Displayed As:</b>		
Cash	\$ 758,952	\$ 1,066,095
Restricted Cash	46,826	119,892
	\$ 805,778	\$ 1,185,987

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

**City of Wilder, Idaho**  
Statement of Cash Flows -  
Proprietary Funds (continued)  
For the Year Ended September 30, 2020

	Sanitation	Non Major Irrigation	Total
<b>Cash Flows From Operating Activities</b>			
Receipts from Customers	\$ 135,222	\$ 60,799	\$ 900,222
Payments to Suppliers	(140,193)	(37,774)	(588,969)
Payments to Employees	(5,843)	(21,676)	(154,919)
Net Cash Provided (Used) by Operating Activities	<u>(10,814)</u>	<u>1,349</u>	<u>156,334</u>
<b>Cash Flows From Noncapital Financing Activities</b>			
Other	-	-	320
Net Cash Provided (Used) by Noncapital Financing Activities	<u>-</u>	<u>-</u>	<u>320</u>
<b>Cash Flows From Capital and Related Financing Activities</b>			
Purchases and Construction of Capital Assets	-	-	(30,821)
Principal Paid on Capital Debt	-	-	(76,967)
Interest Paid on Capital Debt	-	-	(82,136)
Net Cash Used by Capital and Related Financing Activities	<u>-</u>	<u>-</u>	<u>(189,924)</u>
<b>Cash Flows From Investing Activities</b>			
Purchases of Investments	-	-	-
Interest and Dividends	-	11	29,740
Net Cash Provided (Used) by Investing Activities	<u>-</u>	<u>11</u>	<u>29,740</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(10,814)	1,360	(3,530)
<b>Cash and Cash Equivalents - Beginning</b>	<u>42,257</u>	<u>24,338</u>	<u>2,052,436</u>
<b>Cash and Cash Equivalents - Ending</b>	<u>\$ 31,443</u>	<u>\$ 25,698</u>	<u>\$ 2,048,906</u>
<b>Displayed As:</b>			
Cash	\$ 31,443	\$ 25,698	\$ 1,882,188
Restricted Cash	-	-	166,718
	<u>\$ 31,443</u>	<u>\$ 25,698</u>	<u>\$ 2,048,906</u>

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

**City of Wilder, Idaho**  
Statement of Cash Flows -  
Proprietary Funds (continued)  
For the Year Ended September 30, 2020

	<u>Water</u>	<u>Sewer</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating Income (Loss)	\$ (35,240)	\$ (27,942)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:		
Depreciation	119,065	179,399
(Increase) Decrease in Accounts Receivable	(6,627)	(1,012)
(Increase) Decrease in Deferred Outflows	(4,582)	(4,229)
Increase (Decrease) in Accounts Payable	(56,957)	(20,409)
Increase (Decrease) in Customer Deposits	1,472	-
Increase (Decrease) in Salaries and Benefits Payable	879	884
Increase (Decrease) in Compensated Absences	1,145	1,145
Increase (Decrease) in Net Pension Liability	16,555	15,282
Increase (Decrease) in Deferred Inflows	(6,775)	(6,254)
Net Cash Provided (Used) by Operating Activities	<u>\$ 28,935</u>	<u>\$ 136,864</u>

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



**City of Wilder, Idaho**  
Statement of Cash Flows -  
Proprietary Funds (continued)  
For the Year Ended September 30, 2020

	Sanitation	Non Major Irrigation	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ (3,166)	\$ (2,095)	\$ (68,443)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:			
Depreciation	-	577	299,041
(Increase) Decrease in Accounts Receivable	194	579	(6,866)
(Increase) Decrease in Deferred Outflows	(1,057)	(2,467)	(12,335)
Increase (Decrease) in Accounts Payable	(9,667)	(978)	(88,011)
Increase (Decrease) in Customer Deposits	-	-	1,472
Increase (Decrease) in Salaries and Benefits Payable	15	(106)	1,672
Increase (Decrease) in Compensated Absences	610	573	3,473
Increase (Decrease) in Net Pension Liability	3,820	8,914	44,571
Increase (Decrease) in Deferred Inflows	(1,563)	(3,648)	(18,240)
Net Cash Provided (Used) by Operating Activities	\$ (10,814)	\$ 1,349	\$ 156,334

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

**City of Wilder, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2020

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

B. Basis of Presentation, Basis of Accounting

Basis of Presentation

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

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

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

**City of Wilder, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2020

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

The City reports the following major governmental funds:

- *General fund.* This is the City's primary operating fund. It accounts for all financial resources of the City, except those required to be accounted for in another fund.
- *Roads and Streets fund.* This fund accounts for the activities related to the City's roads and streets.
- *Parks fund.* This fund accounts for the activities related to the City's parks.

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

The City reports the following major enterprise funds:

- *Water fund.* This fund accounts for the activities of the City's water supply system, pumping stations, and collection systems.
- *Sewer fund.* This fund accounts for the operations and collections of the City's sewer system.
- *Sanitation fund.* This fund accounts for the operations and collections of the City's sanitation services.

**City of Wilder, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2020

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting

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

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

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

Fund Balance Reporting in Governmental Funds

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

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

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

**City of Wilder, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2020

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

In the Roads and Streets fund, external parties require that property taxes, grants, and intergovernmental revenues are to be used to maintain, build, or improve the City's roads and streets.

C. Assets and Liabilities

Cash Equivalents

The City requires all cash belonging to the City to be placed in custody of the Clerk. A "Pooled Cash" concept is therefore used in maintaining the cash and investment accounts in the accounting records. Under this method, all cash is pooled for investment purposes and each fund has equity in the pooled amount. All amounts included in the pooled cash and investment with an original maturity of three months or less are considered to be cash and cash equivalents. All other investments are reported separately on the financial statements and are not included in the statement of cash flows. All investments are reported at fair value on the financial statements. See Note 2.

Receivables

All trade receivables are shown net of an allowance for doubtful accounts. As of September 30, 2020, the client feels that there is no allowance for doubtful accounts.

**City of Wilder, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2020

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property Tax Calendar

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

Capital Assets

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

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

	<u>Capitalization</u> <u>Policy</u>	<u>Depreciation</u> <u>Method</u>	<u>Estimated</u> <u>Useful Life</u>
Buildings and Improvements	\$5,000	Straight-Line	20 – 45 Years
Equipment and Vehicles	\$5,000	Straight-Line	5 – 15 Years

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

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

Compensated Absences

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

Pensions

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

**City of Wilder, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2020

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of Estimates

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

2. CASH AND INVESTMENTS

Deposits

As of September 30, 2020, the carrying amount of the City's deposits was \$142,411 and the respective bank balances totaled \$246,887. \$246,887 of the bank balance was insured through the Federal Depository Insurance Corporation (FDIC).

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned. As of September 30, 2020, \$246,887 of the City's deposits were covered by the federal depository insurance or by collateral held by the City's agent or pledging financial institution's trust department or agent in the name of the City, thus they were exposed to no custodial credit risk. The City also has \$500 in petty cash. The City does not have a formal policy limiting its exposure to custodial credit risk.

Custodial Credit Risk – Investments

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

Interest Rate Risk

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

Investments

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

**City of Wilder, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2020

2. CASH AND INVESTMENTS (continued)

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

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

The City's investments at September 30, 2020, are summarized below:

Investment Type	Credit Rating	Fair Value	Maturity (In Years)	
			Less Than 1	More than 1
Local Government Investment Pool	Not Rated	\$ 2,234,119	\$ 2,234,119	\$ -
Money Market and Mutual Funds	AAA	4,352	4,352	-
Municipal Bonds	AA- to AAA	100,832	100,832	-
		<u>\$ 2,339,303</u>	<u>\$ 2,339,303</u>	<u>\$ -</u>

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

	Governmental	Business-type	Total
	Activities	Activities	
Cash	\$ (130,879)	\$ 273,790	\$ 142,911
Restricted Cash	-	166,718	166,718
Investments categorized as deposits	452,932	1,614,469	2,067,401
Investments	58,421	46,763	105,184
	<u>\$ 380,474</u>	<u>\$ 2,101,740</u>	<u>\$ 2,482,214</u>

The City has set aside \$166,718 in accordance with debt reserve requirements.

3. DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units consist state revenue sharing of \$16,864, all due from the State of Idaho.



**City of Wilder, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2020

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4. PROPERTY TAXES

The City receives tax revenue from Canyon County. The County is responsible for property valuation and collection of tax levies. The taxes that have not been remitted to the City by the County as of September 30, 2020, are considered by the City as a receivable. Taxes not collected within 60 days after September 30, 2020, are not considered available for use by the City and are recorded as deferred revenue in the fund financial statements.

5. PENSION PLAN

*Plan Description*

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

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

*Pension Benefits*

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

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

**City of Wilder, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2020

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5. PENSION PLAN (continued)

*Member and Employer Contributions*

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

The contribution rates for employees are set by statute at 60% of the employer rate for general employees and 72% for police and firefighters. As of June 30, 2020, it was 7.16% (for general employees and 8.81% for police and firefighters. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.94% for general employees and 12.28% for police and firefighters. The City of Wilder, Idaho's contributions were \$47,407 the year ended September 30, 2020.

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

At September 30, 2020, the City of Wilder, Idaho reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City of Wilder, Idaho's proportion of the net pension liability was based on the City of Wilder, Idaho's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2020, the City of Wilder, Idaho's proportion was 0.0109721 percent.

For the year ended September 30, 2020, the City of Wilder, Idaho recognized pension expense/ (revenue) of \$87,397 . At September 30, 2020, the City of Wilder, Idaho reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**City of Wilder, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2020

5. PENSION PLAN (continued)

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 19,907	\$ 8,319
Changes in assumptions or other inputs	4,309	-
Net difference between projected and actual earnings on pension plan investments	29,203	-
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	-	2,997
City of Wilder, Idaho's contributions subsequent to the measurement date	11,195	-
<b>Total</b>	<b>\$ 64,614</b>	<b>\$ 11,316</b>

\$11,195 reported as deferred outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2020.

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, 2019, the beginning of the measurement period ended June 30, 2019, is 4.8 years and 4.8 years for the measurement period of June 30, 2020.

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

<b>For the Year Ended September 30:</b>	<b>PERSI</b>
2021	\$ 10,020
2022	9,734
2023	14,567
2024	18,977

**City of Wilder, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2020

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5. 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, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	3.75%
Salary inflation	3.75%
Investment rate of return	7.05%, net of investment expense
Cost-of-living adjustment	1%

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

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

An experience study was performed for the period July 1, 2013 through June 30, 2017 which reviewed all economic and demographic assumptions other than mortality. The Total Pension Liability as of June 30, 2020, is based on the results of an actuarial valuation date of July 1, 2020.

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

Even though history provides a valuable perspective for setting the investment return assumption, the System relies primarily on an approach which builds upon the latest capital market assumptions.

**City of Wilder, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2020

5. PENSION PLAN (continued)

Specifically, the System uses consultants, investment managers and trustees to develop capital market assumptions in analyzing the System's asset allocation. The assumptions and the System's formal policy for asset allocation are shown below. The formal asset allocation policy is somewhat more conservative than the current allocation of System's assets.

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are as of January 1, 2020.

<u>Asset Class</u>		<u>Target Allocation</u>	<u>Long-Term Expected Nominal Rate of Return (Arithmetic)</u>	<u>Long-Term Expected Real Rate of Return (Arithmetic)</u>
Core Fixed Income	Barclays Aggregate	30.00%	2.80%	55.00%
Broad US Equities	Wilshire 5000/Russell 3000	55.00%	8.55%	6.30%
Developed Foreign Equities	MSCI EAFE/World ex US	15.00%	8.70%	6.45%
Assumed Inflation - Mean			2.25%	2.25%
Assumed Inflation - Standard Deviation			1.50%	1.50%
Portfolio Arithmetic Mean Return			6.85%	4.60%
Portfolio Standard Deviation			12.33%	12.33%
Portfolio Long-Term (Geometric) Expected Rate of Return			6.25%	3.89%
Assumed Investment Expenses			0.40%	0.40%
Portfolio Long-Term (Geometric) Expected Real Rate of Return, Net of Investment Expense			5.85%	3.37%
Portfolio Long-Term Expected Real Rate of Return, Net of Investment Expense				3.49%

**City of Wilder, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2020

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5. PENSION PLAN (continued)

*Discount Rate*

The discount rate used to measure the total pension liability was 7.05%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate. Based on these assumptions, the pension plans' net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return was determined net of pension plan investment expense but without reduction for pension plan administrative expense.

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

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

	<b>1% Decrease (6.05%)</b>	<b>Current Discount Rate (7.05%)</b>	<b>1% Increase (8.05%)</b>
Employer's proportionate share of the net pension liability (asset)	\$ 522,498	\$ 254,787	\$ 33,433

*Pension plan fiduciary net position*

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

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

**City of Wilder, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2020

6. COMPENSATED ABSENCES

Vacation leave is granted to all regular City employees. In the event of termination, an employee is reimbursed for accumulated vacation leave. Changes in accumulated vacation are as follows:

	<u>9/30/2019</u>	<u>Earned</u>	<u>Used</u>	<u>9/30/2020</u>	<u>Current</u>
Governmental Activities	\$ 5,624	\$ 15,151	\$(11,866)	\$ 8,909	\$ 5,939
Business-type Activities	<u>11,591</u>	<u>16,928</u>	<u>(13,456)</u>	<u>15,063</u>	<u>10,042</u>
	<u>\$ 17,215</u>	<u>\$ 32,079</u>	<u>\$(25,322)</u>	<u>\$ 23,972</u>	<u>\$ 15,981</u>

7. RISK MANAGEMENT

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

8. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2020, was as follows:

	<u>9/30/2019</u>	<u>Additions</u>	<u>Disposals</u>	<u>9/30/2020</u>
<u>Governmental Activities:</u>				
Capital Assets Not Being Depreciated:				
Land	\$ 61,007	\$ -	\$ -	\$ 61,007
Capital Assets Being Depreciated:				
Buildings and Improvements	503,021	-	-	503,021
Equipment	<u>228,893</u>	<u>21,418</u>	<u>(6,000)</u>	<u>244,311</u>
Total Historical Cost	<u>731,914</u>	<u>21,418</u>	<u>(6,000)</u>	<u>747,332</u>
Less: Accumulated Depreciation				
Buildings	128,648	12,824	-	141,472
Equipment	<u>161,333</u>	<u>23,368</u>	<u>(1,700)</u>	<u>183,001</u>
Total Accumulated Depreciation	<u>289,981</u>	<u>36,192</u>	<u>(1,700)</u>	<u>324,473</u>
Net Depreciable Assets	<u>441,933</u>	<u>(14,774)</u>	<u>(4,300)</u>	<u>422,859</u>
Governmental Activities - Net	<u>\$ 502,940</u>	<u>\$ (14,774)</u>	<u>\$ (4,300)</u>	<u>\$ 483,866</u>

**City of Wilder, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2020

8. CAPITAL ASSETS (continued)

	9/30/2019	Additions	Disposals	9/30/2020
<u>Business-type Activities:</u>				
Capital Assets Not Being Depreciated:				
Land	\$ 81,566	\$ -	\$ -	\$ 81,566
Construction in Progress	-	-	-	-
	81,566	-	-	81,566
Capital Assets Being Depreciated:				
Buildings and Improvements	6,295,492	19,253	-	6,314,745
Equipment	934,850	11,568	(12,688)	933,730
Total Historical Cost	7,230,342	30,821	(12,688)	7,248,475
Less: Accumulated Depreciation				
Buildings and Improvements	3,932,082	259,528	-	4,191,610
Equipment	514,346	39,513	(12,688)	541,171
Total Accumulated Depreciation	4,446,428	299,041	(12,688)	4,732,781
Net Depreciable Assets	2,783,914	(268,220)	-	2,515,694
Business-type Activities - Net	\$ 2,865,480	\$ (268,220)	\$ -	\$ 2,597,260

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

<u>Governmental Activities:</u>		<u>Business-type Activities:</u>	
General	\$ 13,439	Water	\$ 119,065
Parks	14,651	Sewer	179,399
Police	6,068	Irrigation	577
Street	2,034		
	\$ 36,192		\$ 299,041

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

9. OTHER COMMITMENTS

The City has credit cards available for use. As of September 30, 2020, there was a total available credit of \$21,000 , of which \$2,739 was in use.



**City of Wilder, Idaho**  
Notes to Financial Statements  
For the Year Ended September 30, 2020

10. LONG-TERM OBLIGATIONS

Business-type Activities - Water Fund Bond Payable

The City issued \$675,000 of Series 1997 Revenue Bonds dated October 24, 1997, with a maturity date of October 24, 2027, and bearing interest at 4.875% per annum. Payments are due in October of each year. The Bonds were issued to pay for water system upgrades.

Business-type Activities – Sewer Fund Bond Payable

The City issued \$1,920,000 of Series 2010 Revenue Bonds dated March 15, 2010, with a maturity date of March 15, 2040, and bearing interest at 4% per annum. Payments are due in March of each year. The Bonds were issued to pay for sewer system upgrades.

Description	Rate	Required			Decrease	9/30/2020	Current Portion
		Reserve	9/30/2019	Increase			
Water Bond	4.875%	\$43,288	309,321	-	(28,209)	281,112	29,584
Sewer Bond	4.000%	\$88,841	1,557,377	-	(48,758)	1,508,619	50,703
			<u>\$1,866,698</u>	<u>\$ -</u>	<u>\$(76,967)</u>	<u>\$1,789,731</u>	<u>\$ 80,287</u>

Debt service requirements on long-term debt at September 30, 2020, are as follows:

Year Ending September 30,	Bonds	
	Principal	Interest
2021	\$ 80,287	\$ 74,054
2022	83,757	70,584
2023	87,379	66,962
2024	91,159	63,182
2025	95,103	59,238
2026-2030	452,171	232,696
2031-2035	406,509	148,756
2036-2040	493,366	60,685
	<u>\$ 1,789,731</u>	<u>\$ 776,157</u>

Interest expense for the year was \$75,026 for business activities. No interest was capitalized.

***REQUIRED SUPPLEMENTARY INFORMATION***

**City of Wilder, Idaho**  
 Budgetary (GAAP Basis) Comparison Schedule  
 General Fund  
 For the Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$ 319,000	\$ 319,000	\$ 320,163	\$ 1,163
Intergovernmental	168,454	168,454	188,460	20,006
Grants and Contributions	-	-	90,769	90,769
Licenses and Permits	232,250	232,250	135,593	(96,657)
Interest Earned	4,330	4,330	4,642	312
Other	11,490	11,490	4,207	(7,283)
<b>Total Revenues</b>	<u>735,524</u>	<u>735,524</u>	<u>743,834</u>	<u>8,310</u>
<b>Expenditures</b>				
Current:				
Administrative	116,738	116,738	90,700	26,038
General	74,050	74,050	59,463	14,587
Planning and Zoning	91,130	91,130	18,561	72,569
Police	446,465	446,465	413,052	33,413
Capital Outlay	40,500	40,500	55,053	(14,553)
<b>Total Expenditures</b>	<u>768,883</u>	<u>768,883</u>	<u>636,829</u>	<u>132,054</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>				
	<u>(33,359)</u>	<u>(33,359)</u>	<u>107,005</u>	<u>140,364</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Assets	6,000	6,000	4,664	(1,336)
Transfers In	27,359	27,359	-	(27,359)
<b>Total Other Financing Sources (Uses)</b>	<u>33,359</u>	<u>33,359</u>	<u>4,664</u>	<u>(28,695)</u>
Net Change in Fund Balances	-	-	111,669	111,669
Fund Balances - Beginning	-	-	98,787	98,787
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 210,456</u>	<u>\$ 210,456</u>

**City of Wilder, Idaho**  
 Budgetary (GAAP Basis) Comparison Schedule  
 Roads and Streets  
 For the Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$ 2,000	\$ 2,000	\$ 2,664	\$ 664
Intergovernmental	110,500	110,500	111,139	639
Grants and Contributions	25,000	25,000	23,000	(2,000)
Interest Earned	1,500	1,500	2,137	637
Other	100	100	50	(50)
Total Revenues	<u>139,100</u>	<u>139,100</u>	<u>138,990</u>	<u>(110)</u>
<b>Expenditures</b>				
Current:				
General	136,785	136,785	114,015	22,770
Capital Outlay	<u>53,100</u>	<u>53,100</u>	<u>23,452</u>	<u>29,648</u>
Total Expenditures	<u>189,885</u>	<u>189,885</u>	<u>137,467</u>	<u>52,418</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>				
	<u>(50,785)</u>	<u>(50,785)</u>	<u>1,523</u>	<u>52,308</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Assets	3,000	3,000	3,657	657
Transfers In	<u>47,785</u>	<u>47,785</u>	<u>-</u>	<u>(47,785)</u>
Total Other Financing Sources (Uses)	<u>50,785</u>	<u>50,785</u>	<u>3,657</u>	<u>(47,128)</u>
Net Change in Fund Balances	-	-	5,180	5,180
Fund Balances - Beginning	-	-	<u>154,847</u>	<u>154,847</u>
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 160,027</u>	<u>\$ 160,027</u>

**City of Wilder, Idaho**  
 Budgetary (GAAP Basis) Comparison Schedule  
 Parks  
 For the Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$ 21,200	\$ 21,200	\$ 22,131	\$ 931
Charges for Services	5,000	5,000	3,750	(1,250)
Grants and Contributions	52,400	52,400	20,000	(32,400)
Interest Earned	180	180	269	89
Other	1,100	1,100	550	(550)
Total Revenues	<u>79,880</u>	<u>79,880</u>	<u>46,700</u>	<u>(33,180)</u>
<b>Expenditures</b>				
Current:				
Administrative	-	-	-	-
General	72,740	72,740	34,766	37,974
Capital Outlay	8,140	8,140	4,154	3,986
Total Expenditures	<u>80,880</u>	<u>80,880</u>	<u>38,920</u>	<u>41,960</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>				
	<u>(1,000)</u>	<u>(1,000)</u>	<u>7,780</u>	<u>8,780</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Assets	1,000	1,000	837	(163)
Total Other Financing Sources (Uses)	<u>1,000</u>	<u>1,000</u>	<u>837</u>	<u>(163)</u>
Net Change in Fund Balances	-	-	8,617	8,617
Fund Balances - Beginning	-	-	19,210	19,210
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,827</u>	<u>\$ 27,827</u>

**City of Wilder, Idaho**  
Notes to Required Supplementary Information  
For the Year Ended September 30, 2020

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1. BUDGETS AND BUDGETARY ACCOUNTING

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

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

**City of Wilder, Idaho**  
Schedule of the City's Proportionate Share of the  
Net Pension Liability

Public Employees Retirement System of Idaho

Last 10 - Fiscal Years\*

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
City proportion of the net pension liability (asset)	0.0109721%	0.0111645%	0.0112031%	0.0107480%	0.0102463%
City's proportionate share of the net pension liability (asset)	\$ 254,787	\$ 127,440	\$ 165,248	\$ 168,940	\$ 207,708
City's covered-employee payroll	\$ 391,640	\$ 377,627	\$ 360,202	\$ 334,089	\$ 287,461
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	65.06%	33.75%	45.88%	50.57%	72.26%
Plan fiduciary net position as a percentage of the total pension liability	93.79%	93.79%	87.26%	87.26%	82.26%
	<u>2015</u>				
City proportion of the net pension liability (asset)	0.0109190%				
City's proportionate share of the net pension liability (asset)	\$ 143,785				
City's covered-employee payroll	\$ 307,074				
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	46.82%				
Plan fiduciary net position as a percentage of the total pension liability	94.95%				

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

Data reported is measured as of June 30, 2020

**City of Wilder, Idaho**  
**Schedule of City Contributions**

**Public Employees Retirement System of Idaho**

Last 10 - Fiscal Years\*

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contributions	\$ 47,407	\$ 43,687	\$ 41,418	\$ 38,354	\$ 33,021
Contributions in relation to the contractually required contribution	<u>47,407</u>	<u>43,687</u>	<u>41,418</u>	<u>38,354</u>	<u>33,021</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$ 391,640	\$ 377,627	\$ 360,202	\$ 334,089	\$ 287,461
Contributions as a percentage of covered-employee payroll	12.10%	11.57%	11.50%	11.48%	11.49%
	<u>2015</u>				
Contractually required contributions	\$ 35,229				
Contributions in relation to the contractually required contribution	<u>35,229</u>				
Contribution deficiency (excess)	<u>\$ -</u>				
City's covered-employee payroll	\$ 307,074				
Contributions as a percentage of covered-employee payroll	11.47%				

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



***SUPPLEMENTAL INFORMATION***

**City of Wilder, Idaho**  
Supplemental Schedule of Revenues by Source -  
Budget (GAAP Basis) and Actual - General Fund  
For the Year Ended September 30, 2020

	Budget	Actual	Variance
<b>Taxes:</b>			
Property Taxes	\$ 315,000	\$ 318,164	\$ 3,164
Penalties and Interest	4,000	1,999	(2,001)
Total Taxes	<u>319,000</u>	<u>320,163</u>	<u>1,163</u>
<b>Intergovernmental:</b>			
State Liquor Apportionment	65,805	73,394	7,589
State Revenue Sharing	57,484	92,045	34,561
State Sales Tax	45,165	23,021	(22,144)
Total Intergovernmental	<u>168,454</u>	<u>188,460</u>	<u>20,006</u>
<b>Licenses and Permits:</b>			
Beer, Wine, and Liquor Licenses	1,610	1,380	(230)
Dog Licenses and Fees	4,550	4,878	328
Building Permits	102,850	23,920	(78,930)
Business Permits	660	4,145	3,485
Cable TV Franchise	1,800	499	(1,301)
Rent	12,000	12,000	-
Yard Sale Permits	400	100	(300)
Intermountain Gas Franchise	4,000	3,756	(244)
Idaho Power Franchise	12,000	8,231	(3,769)
Speedy Quick Agreement	1,080	1,080	-
Police Services	91,300	75,604	(15,696)
Total Licenses and Permits	<u>232,250</u>	<u>135,593</u>	<u>(96,657)</u>
<b>Other:</b>			
Other	11,490	4,207	(7,283)
Interest Earned	4,330	4,642	312
Donations	-	90,769	90,769
Total Other	<u>15,820</u>	<u>99,618</u>	<u>83,798</u>
<b>Other Financing Sources:</b>			
Sale of Assets	6,000	4,664	(1,336)
Transfer In	0		
	<u>6,000</u>	<u>4,664</u>	<u>(1,336)</u>
<b>Total Revenue</b>	<u>\$ 741,524</u>	<u>\$ 748,498</u>	<u>\$ 6,974</u>

**City of Wilder, Idaho**  
Supplemental Schedule of Expenditures by Object of Expenditure -  
Budget (GAAP Basis) and Actual - General Fund  
For the Year Ended September 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Administrative:</b>			
Salaries	\$ 60,814	\$ 50,857	\$ 9,957
Benefits	33,074	26,536	6,538
Miscellaneous	1,750	1,276	474
Supplies	18,300	11,571	6,729
Travel and Meetings	2,800	460	2,340
Total Administrative	<u>116,738</u>	<u>90,700</u>	<u>26,038</u>
<b>General:</b>			
Salaries	-	1,580	(1,580)
Benefits	-	3	(3)
Supplies	-	633	(633)
Insurance	4,100	1,160	2,940
Professional Services	23,500	16,371	7,129
Miscellaneous	31,950	23,482	8,468
Repairs and Maintenance	7,800	8,662	(862)
Utilities	4,200	2,979	1,221
Capital Outlay	9,000	22,254	(13,254)
Dues	2,500	4,593	(2,093)
Total General	<u>83,050</u>	<u>81,717</u>	<u>1,333</u>
<b>Planning and Zoning:</b>			
Salaries	1,830	900	930
Insurance	500	500	-
Supplies	100	348	(248)
Professional Services	88,050	16,563	71,487
Travel and Meetings	350	-	350
Miscellaneous	300	250	50
Total Planning and Zoning	<u>91,130</u>	<u>18,561</u>	<u>72,569</u>

**City of Wilder, Idaho**  
 Supplemental Schedule of Expenditures by Object of Expenditure -  
 Budget (GAAP Basis) and Actual - General Fund (continued)  
 For the Year Ended September 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Police:</b>			
Salaries	\$ 212,160	\$ 203,103	\$ 9,057
Benefits	159,704	143,094	16,610
Insurance	5,000	4,000	1,000
Supplies	27,700	22,919	4,781
Professional Services	7,100	5,876	1,224
Travel and Meetings	500	25	475
Training	1,500	75	1,425
Repairs and Maintenance	20,000	22,497	(2,497)
Utilities	11,700	9,240	2,460
Miscellaneous	901	2,023	(1,122)
Dues	200	200	-
Capital Outlay	31,500	32,799	(1,299)
Total Police	<u>477,965</u>	<u>445,851</u>	<u>32,114</u>
<b>Total Expenditures</b>	<u>\$ 768,883</u>	<u>\$ 636,829</u>	<u>\$ 132,054</u>

***FEDERAL REPORTS***



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

Honorable Mayor  
and City Council  
Wilder, Idaho

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the remaining fund information of the City of Wilder, Idaho, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City of Wilder, Idaho's basic financial statements and have issued our report thereon dated December 16, 2020.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City of Wilder, Idaho's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Wilder, Idaho's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Wilder, Idaho's internal control.

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

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

## **Compliance and Other Matters**

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

## **Purpose of this Report**

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

*Zwyzart John & Associates, CPAs, PLLC*

Nampa, Idaho  
December 16, 2020