

CITY OF WILDER, IDAHO

Report on Audited
Basic
Financial Statements
and
Supplemental Information

For the Year Ended September 30, 2019

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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, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, schedule of the City's proportionate share of the net pension liability, and the schedule of City contributions on pages 32 through 37 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 3, 2019, 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 3, 2019

City of Wilder, Idaho
Statement of Net Position
September 30, 2019

	Governmental Activities	Business-type Activities	Total
Assets			
Current Assets:			
Cash and Cash Equivalents	\$ 198,819	\$ 1,888,462	\$ 2,087,281
Investments	56,193	52,834	109,027
Property Taxes Receivable, Net	17,339	-	17,339
Accounts Receivable, Net	3,953	107,994	111,947
Prepaid Items	11,707	1,553	13,260
Due from Other Governments	29,061	-	29,061
Noncurrent Assets:			
Restricted Cash	-	163,974	163,974
Capital Assets:			
Land	61,007	81,566	142,573
Buildings and Improvements, Net	374,373	2,363,410	2,737,783
Equipment, Net	67,560	420,505	488,065
Total Capital Assets	<u>502,940</u>	<u>2,865,481</u>	<u>3,368,421</u>
Total Assets	<u>820,012</u>	<u>5,080,298</u>	<u>5,900,310</u>
Deferred Outflows			
Pension Related Items	19,090	10,281	29,371
Total Deferred Outflows	<u>19,090</u>	<u>10,281</u>	<u>29,371</u>
Liabilities			
Current Liabilities:			
Accounts Payable	16,515	88,274	104,789
Salaries and Benefits Payable	11,572	6,477	18,049
Customer Deposits	-	38,019	38,019
Prepaid Charges	-	-	-
Accrued Interest Payable	-	48,051	48,051
Long-term Liabilities:			
Portion Due or Payable Within One Year:			
Bond Payable	-	73,775	73,775
Municipal Lease	-	-	-
Compensated Absences	3,749	7,727	11,476
Portion Due or Payable After One Year:			
Bond Payable	-	1,792,923	1,792,923
Municipal Lease	-	-	-
Compensated Absences	1,875	3,864	5,739
Net Pension Liability	82,837	44,605	127,442
Total Liabilities	<u>116,548</u>	<u>2,103,715</u>	<u>2,220,263</u>
Deferred Inflows			
Pension Related Items	41,230	22,200	63,430
Total Deferred Inflows	<u>41,230</u>	<u>22,200</u>	<u>63,430</u>
Net Position			
Invested in Capital Assets, Net of Related Debt	502,940	998,783	1,501,723
Restricted for:			
Debt Reserve	-	163,974	163,974
Roads and Streets	154,290	-	154,290
Parks	19,166	-	19,166
Unrestricted (Deficit) Surplus	4,928	1,801,907	1,806,835
Total Net Position	<u>\$ 681,324</u>	<u>\$ 2,964,664</u>	<u>\$ 3,645,988</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, 2019

	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	
Primary Government:							
Governmental Activities:							
Administrative	\$ 72,150	\$ -	\$ -	\$ -	\$ (72,150)	\$ -	\$ (72,150)
General	82,575	57,909	-	-	(24,666)	-	(24,666)
Planning and Zoning	17,790	-	-	-	(17,790)	-	(17,790)
Police	409,274	72,179	-	-	(337,095)	-	(337,095)
Parks	24,313	6,250	-	1,258	(16,805)	-	(16,805)
Streets	152,346	-	-	17,605	(134,741)	-	(134,741)
Total Governmental Activities	758,448	136,338	-	18,863	(603,247)	-	(603,247)
Business-type Activities:							
Water	424,964	286,869	-	7,917	-	(130,178)	(130,178)
Sewer	515,209	385,430	-	-	-	(129,779)	(129,779)
Sanitation	128,370	134,210	-	-	-	5,840	5,840
Irrigation	44,149	67,761	-	-	-	23,612	23,612
Total Business-type Activities	1,112,692	874,270	-	7,917	-	(230,505)	(230,505)
Total Primary Government	\$ 1,871,140	\$ 1,010,608	\$ -	\$ 26,780	(603,247)	(230,505)	(833,752)

General Revenues:			
Property Taxes	333,027	-	333,027
State Sources	274,550	-	274,550
Other	20,792	6,969	27,761
Sale of Capital Assets	2,731	-	2,731
Unrestricted Investment Earnings	9,376	41,744	51,120
Total General Revenues and Special Items	640,476	48,713	689,189
Change in Net Position	37,229	(181,792)	(144,563)
Net Position, Beginning of Year - Previously	635,864	3,146,456	3,782,320
Prior Period Adjustment	8,231	-	8,231
Net Position, Beginning of Year	644,095	3,146,456	3,790,551
Net Position, End of Year	\$ 681,324	\$ 2,964,664	\$ 3,645,988

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

City of Wilder, Idaho
Balance Sheet -
Governmental Funds
September 30, 2019

	General	Roads and Streets	Parks	Total Governmental Funds
Assets				
Cash and Cash Equivalents	\$ 34,847	\$ 144,525	\$ 19,447	\$ 198,819
Investments	40,795	15,398	-	56,193
Receivables, Net:				
Property Tax	14,269	2,120	950	17,339
Accounts	3,953	-	-	3,953
Prepaid Items	11,107	557	43	11,707
Due from Other Governments	29,061	-	-	29,061
Total Assets	<u>\$ 134,032</u>	<u>\$ 162,600</u>	<u>\$ 20,440</u>	<u>\$ 317,072</u>
Liabilities				
Accounts Payable	\$ 11,119	\$ 5,301	\$ 95	\$ 16,515
Salaries and Benefits Payable	10,886	431	255	11,572
Total Liabilities	<u>22,005</u>	<u>5,732</u>	<u>350</u>	<u>28,087</u>
Deferred Inflows				
Unavailable Revenue - Property Taxes	<u>13,239</u>	<u>2,021</u>	<u>881</u>	<u>16,141</u>
Fund Balances				
Nonspendable:				
Prepays	11,107	557	43	11,707
Restricted	-	154,290	19,166	173,456
Unassigned	<u>87,681</u>	<u>-</u>	<u>-</u>	<u>87,681</u>
Total Fund Balances	<u>98,788</u>	<u>154,847</u>	<u>19,209</u>	<u>272,844</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 134,032</u>	<u>\$ 162,600</u>	<u>\$ 20,440</u>	<u>\$ 317,072</u>

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, 2019

Total Fund Balances - Governmental Funds \$ 272,844

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 \$128,648 accumulated depreciation		374,373	
Equipment, Net of \$161,333 accumulated depreciation		<u>67,560</u>	
			502,940

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. 16,141

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:

Municipal Lease	\$	-	
Compensated Absences		<u>(5,624)</u>	
			(5,624)

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	\$	(82,837)	
Pension Related Deferred Inflows		(41,230)	
Pension Related Deferred Outflows		<u>19,090</u>	
			<u>(104,977)</u>

Net Position of Governmental Activities \$ 681,324

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, 2019

	General	Roads and Streets	Parks	Total Governmental Funds
Revenues				
Property Taxes	\$ 290,338	\$ 27,792	\$ 18,620	\$ 336,750
Intergovernmental	169,588	104,962	-	274,550
Grants and Contributions	-	17,605	1,258	18,863
Licenses and Permits	129,858	-	-	129,858
Charges for Services	230	-	6,250	6,480
Interest Earned	7,182	1,950	244	9,376
Other	20,792	-	-	20,792
Total Revenues	<u>617,988</u>	<u>152,309</u>	<u>26,372</u>	<u>796,669</u>
Expenditures				
Current:				
Administrative	73,838	-	-	73,838
General	68,469	98,265	21,632	188,366
Planning and Zoning	17,790	-	-	17,790
Police	398,792	-	-	398,792
Capital Outlay	31,428	48,868	675	80,971
Total Expenditures	<u>590,317</u>	<u>147,133</u>	<u>22,307</u>	<u>759,757</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>27,671</u>	<u>5,176</u>	<u>4,065</u>	<u>36,912</u>
Other Financing Sources (Uses)				
Sale of Assets	3,953	-	228	4,181
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>3,953</u>	<u>-</u>	<u>228</u>	<u>4,181</u>
Net Change in Fund Balances	31,624	5,176	4,293	41,093
Fund Balances - Beginning (Previously Stated)	49,545	149,671	14,916	214,132
Prior Period Adjustment	17,619	-	-	17,619
Fund Balances - Beginning	67,164	149,671	14,916	231,751
Fund Balances - Ending	<u>\$ 98,788</u>	<u>\$ 154,847</u>	<u>\$ 19,209</u>	<u>\$ 504,595</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, 2019

Total Net Change in Fund Balance - Governmental Funds \$ 41,093

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	27,497	
Depreciation	(34,093)	
Disposed Capital Assets	<u>(1,450)</u>	(8,046)

Because some property taxes will not be collected for several months after the City's fiscal year ends, they are not considered as "available" revenues in the governmental funds and are, instead, counted as deferred tax revenues. They are, however, recorded as revenues in the Statement of Activities. (3,723)

Compensated absences reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This amount represents the net change in compensated absences. 5,946

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. 1,959

Change in Net Position of Governmental Activities \$ 37,229

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

City of Wilder, Idaho
Statement of Net Position -
Proprietary Funds
September 30, 2019

	Water	Sewer	Sanitation	Non Major Irrigation	Total
Assets					
Current Assets:					
Cash and Cash Equivalents	\$ 790,408	\$ 1,031,460	\$ 42,256	\$ 24,338	\$ 1,888,462
Investments	-	52,834	-	-	52,834
Accounts Receivable, Net	26,777	33,559	11,678	35,980	107,994
Prepaid Items	712	664	33	144	1,553
Total Current Assets	<u>817,897</u>	<u>1,118,517</u>	<u>53,967</u>	<u>60,462</u>	<u>2,050,843</u>
Noncurrent Assets:					
Restricted Cash	46,052	117,922	-	-	163,974
Capital Assets:					
Land	59,170	22,396	-	-	81,566
Buildings and Improvements, Net	662,681	1,700,729	-	-	2,363,410
Equipment, Net	216,248	196,264	-	7,993	420,505
Total Noncurrent Assets	<u>984,151</u>	<u>2,037,311</u>	<u>-</u>	<u>7,993</u>	<u>3,029,455</u>
Total Assets	<u>1,802,048</u>	<u>3,155,828</u>	<u>53,967</u>	<u>68,455</u>	<u>5,080,298</u>
Deferred Outflows					
Pension Related Items	3,819	3,525	881	2,056	10,281
Total Deferred Outflows	<u>3,819</u>	<u>3,525</u>	<u>881</u>	<u>2,056</u>	<u>10,281</u>
Liabilities					
Current Liabilities:					
Accounts Payable	56,957	20,409	9,930	978	88,274
Customer Deposits	38,019	-	-	-	38,019
Salaries and Benefits Payable	2,662	2,657	306	852	6,477
Compensated Absences	2,568	2,568	1,201	1,390	7,727
Accrued Interest Payable	14,087	33,964	-	-	48,051
Bonds, Notes, and Loans Payable	26,897	46,878	-	-	73,775
Total Current Liabilities	<u>141,190</u>	<u>106,476</u>	<u>11,437</u>	<u>3,220</u>	<u>262,323</u>
Noncurrent Liabilities:					
Compensated Absences	1,284	1,284	601	695	3,864
Bonds, Notes, and Loans Payable	282,424	1,510,499	-	-	1,792,923
Net Pension Liability	16,567	15,293	3,824	8,921	44,605
Total Noncurrent Liabilities	<u>300,275</u>	<u>1,527,076</u>	<u>4,425</u>	<u>9,616</u>	<u>1,841,392</u>
Total Liabilities	<u>441,465</u>	<u>1,633,552</u>	<u>15,862</u>	<u>12,836</u>	<u>2,103,715</u>
Deferred Inflows					
Pension Related Items	8,246	7,611	1,903	4,440	22,200
Total Deferred Inflows	<u>8,246</u>	<u>7,611</u>	<u>1,903</u>	<u>4,440</u>	<u>22,200</u>
Net Position					
Invested in Capital Assets, Net of Related Debt	628,778	362,012	-	7,993	998,783
Restricted - Debt Reserve	46,052	117,922	-	-	163,974
Unrestricted	681,326	1,038,256	37,083	45,242	1,801,907
Total Net Position	<u>\$ 1,356,156</u>	<u>\$ 1,518,190</u>	<u>\$ 37,083</u>	<u>\$ 53,235</u>	<u>\$ 2,964,664</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, 2019

	Water	Sewer	Sanitation	Non Major Irrigation	Total
Operating Revenues					
Charges for Services	\$ 286,869	\$ 385,430	\$ 134,210	\$ 67,761	\$ 874,270
Total Operating Revenues	<u>286,869</u>	<u>385,430</u>	<u>134,210</u>	<u>67,761</u>	<u>874,270</u>
Operating Expenses					
Salaries	68,684	66,272	3,844	14,603	153,403
Benefits	40,193	37,738	2,853	8,947	89,731
Insurance	5,500	5,000	300	1,000	11,800
Supplies	37,611	35,053	319	761	73,744
Professional Services	9,560	15,727	836	836	26,959
Utilities	15,023	29,032	875	6,155	51,085
Travel	667	164	-	-	831
Miscellaneous	8,383	15,929	1,241	428	25,981
Repairs and Maintenance	35,195	46,207	118,102	9,291	208,795
Depreciation	111,694	179,088	-	588	291,370
Total Operating Expenses	<u>332,510</u>	<u>430,210</u>	<u>128,370</u>	<u>42,609</u>	<u>933,699</u>
Income (Loss) From Operations	<u>(45,641)</u>	<u>(44,780)</u>	<u>5,840</u>	<u>25,152</u>	<u>(59,429)</u>
Nonoperating Revenues (Expenses)					
Interest Earned	16,050	24,959	-	735	41,744
Interest Expense	(92,454)	(84,999)	-	(1,540)	(178,993)
Grants and Contributions	7,917	-	-	-	7,917
Other	6,269	-	-	700	6,969
Total Nonoperating Revenues (Expenses)	<u>(62,218)</u>	<u>(60,040)</u>	<u>-</u>	<u>(105)</u>	<u>(122,363)</u>
Change in Net Position	<u>(107,859)</u>	<u>(104,820)</u>	<u>5,840</u>	<u>25,047</u>	<u>(181,792)</u>
Total Net Position - Beginning	<u>1,464,015</u>	<u>1,623,010</u>	<u>31,243</u>	<u>28,188</u>	<u>3,146,456</u>
Total Net Position - Ending	<u>\$ 1,356,156</u>	<u>\$ 1,518,190</u>	<u>\$ 37,083</u>	<u>\$ 53,235</u>	<u>\$ 2,964,664</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, 2019

	<u>Water</u>	<u>Sewer</u>
Cash Flows From Operating Activities		
Receipts from Customers	\$ 293,720	\$ 386,380
Payments to Suppliers	(102,302)	(175,184)
Payments to Employees	(68,886)	(66,449)
Net Cash Provided (Used) by Operating Activities	<u>122,532</u>	<u>144,747</u>
Cash Flows From Noncapital Financing Activities		
Other	<u>14,186</u>	<u>-</u>
Net Cash Provided (Used) by Noncapital Financing Activities	<u>14,186</u>	<u>-</u>
Cash Flows From Capital and Related Financing Activities		
Purchases and Construction of Capital Assets	(7,288)	-
Principal Paid on Capital Debt	(26,897)	(46,883)
Interest Paid on Capital Debt	(93,680)	(86,021)
Net Cash Used by Capital and Related Financing Activities	<u>(127,865)</u>	<u>(132,904)</u>
Cash Flows From Investing Activities		
Purchases of Investments	(6,071)	-
Interest and Dividends	16,050	24,959
Net Cash Provided (Used) by Investing Activities	<u>9,979</u>	<u>24,959</u>
Net Increase (Decrease) in Cash and Cash Equivalents	18,832	36,802
Cash and Cash Equivalents - Beginning	<u>817,628</u>	<u>1,112,580</u>
Cash and Cash Equivalents - Ending	<u>\$ 836,460</u>	<u>\$ 1,149,382</u>
Displayed As:		
Cash	\$ 790,408	\$ 1,031,460
Restricted Cash	46,052	117,922
	<u>\$ 836,460</u>	<u>\$ 1,149,382</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, 2019

	<u>Sanitation</u>	<u>Non Major Irrigation</u>	<u>Total</u>
Cash Flows From Operating Activities			
Receipts from Customers	\$ 133,275	\$ 53,385	\$ 866,760
Payments to Suppliers	(124,497)	(27,267)	(429,250)
Payments to Employees	(3,607)	(14,200)	(153,142)
Net Cash Provided (Used) by Operating Activities	<u>5,171</u>	<u>11,918</u>	<u>284,368</u>
Cash Flows From Noncapital Financing Activities			
Other	-	700	14,886
Net Cash Provided (Used) by Noncapital Financing Activities	<u>-</u>	<u>700</u>	<u>14,886</u>
Cash Flows From Capital and Related Financing Activities			
Purchases and Construction of Capital Assets	-	-	(7,288)
Principal Paid on Capital Debt	-	-	(73,780)
Interest Paid on Capital Debt	-	(1,540)	(181,241)
Net Cash Used by Capital and Related Financing Activities	<u>-</u>	<u>(1,540)</u>	<u>(262,309)</u>
Cash Flows From Investing Activities			
Interest and Dividends	-	735	41,744
Net Cash Provided (Used) by Investing Activities	<u>-</u>	<u>735</u>	<u>41,744</u>
Net Increase (Decrease) in Cash and Cash Equivalents	5,171	11,813	78,689
Cash and Cash Equivalents - Beginning	37,085	12,525	1,979,818
Cash and Cash Equivalents - Ending	<u>\$ 42,256</u>	<u>\$ 24,338</u>	<u>\$ 2,058,507</u>
Displayed As:			
Cash	\$ 42,256	\$ 24,338	\$ 1,888,462
Restricted Cash	-	-	163,974
	<u>\$ 42,256</u>	<u>\$ 24,338</u>	<u>\$ 2,052,436</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, 2019

	Water	Sewer
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating Income (Loss)	\$ (45,641)	\$ (44,780)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:		
Depreciation	111,694	179,088
(Increase) Decrease in Accounts Receivable	2,247	950
(Increase) Decrease in Deferred Outflows	1,196	1,104
Increase (Decrease) in Accounts Payable	49,830	9,666
Increase (Decrease) in Customer Deposits	4,604	-
Increase (Decrease) in Salaries and Benefits Payable	(503)	(508)
Increase (Decrease) in Compensated Absences	693	693
Increase (Decrease) in Net Pension Liability	(4,915)	(4,537)
Increase (Decrease) in Deferred Inflows	3,327	3,071
Net Cash Provided (Used) by Operating Activities	\$ 122,532	\$ 144,747

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, 2019

	<u>Sanitation</u>	<u>Non Major Irrigation</u>	<u>Total</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ 5,840	\$ 25,152	\$ (59,429)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:			
Depreciation	-	588	291,370
(Increase) Decrease in Accounts Receivable	(935)	(14,376)	(12,114)
(Increase) Decrease in Deferred Outflows	275	644	3,219
Increase (Decrease) in Accounts Payable	29	151	59,676
Increase (Decrease) in Customer Deposits	-	-	4,604
Increase (Decrease) in Salaries and Benefits Payable	38	220	(753)
Increase (Decrease) in Compensated Absences	290	394	2,070
Increase (Decrease) in Net Pension Liability	(1,134)	(2,647)	(13,233)
Increase (Decrease) in Deferred Inflows	768	1,792	8,958
Net Cash Provided (Used) by Operating Activities	<u>\$ 5,171</u>	<u>\$ 11,918</u>	<u>\$ 284,368</u>

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, 2019

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, 2019

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, 2019

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, 2019

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, 2019, 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, 2019

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 Policy</u>	<u>Depreciation Method</u>	<u>Estimated 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, 2019

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, 2019, the carrying amount of the City's deposits was \$164,936 and the respective bank balances totaled \$184,635. \$184,635 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, 2019, \$184,635 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, 2019

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, 2019, are summarized below:

Investment Type	Credit Rating	Fair Value	Maturity (In Years)	
			Less Than 1	More than 1
Local Government Investment Pool	Not Rated	\$ 2,091,890	\$ 2,091,890	\$ -
Money Market and Mutual Funds	AAA	3,010	3,010	-
Municipal Bonds	AA- to AAA	99,946	-	99,946
		<u>\$ 2,194,846</u>	<u>\$ 2,094,900</u>	<u>\$ 99,946</u>

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

	Governmental Activities	Business-type Activities	Total
Cash	\$ 8,385	\$ 157,051	\$ 165,436
Restricted Cash	-	163,974	163,974
Investments categorized as deposits	193,444	1,737,482	1,930,926
Investments	53,183	46,763	99,946
	<u>\$ 255,012</u>	<u>\$ 2,105,270</u>	<u>\$ 2,360,282</u>

The City has set aside \$163,974 in accordance with debt reserve requirements.

3. DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units consist state revenue sharing of \$29,061, all due from the State of Idaho.

City of Wilder, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2019

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, 2019, are considered by the City as a receivable. Taxes not collected within 60 days after September 30, 2019, 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.

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, 2019

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, 2019, it was 6.79% (for general employees and 8.36% for police and firefighters. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.32% for general employees and 11.66% for police and firefighters. The City of Wilder, Idaho's contributions were Contributions the year ended September 30, 2019.

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

At September 30, 2019, the City 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, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City 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, 2019, the City of Wilder, Idaho's proportion was Proportion percent.

For the year ended September 30, 2019, the City of Wilder, Idaho recognized pension expense/ (revenue) of (Revenue). At September 30, 2019, 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, 2019

5. PENSION PLAN (continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 11,844	\$ 15,019
Changes in assumptions or other inputs	7,089	-
Net difference between projected and actual earnings on pension plan investments	-	43,415
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	-	4,995
City of Wilder, Idaho's contributions subsequent to the measurement date	10,437	-
Total	\$ 29,370	\$ 63,429

contributions 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, 2019.

The average of the expected remaining service lives of all employees that are provided with pensions through the System (active and inactive employees) determined at July 1, 2018, the beginning of the measurement period ended June 30, 2018, is 4.8 years and 4.8 years for the measurement period of June 30, 2019.

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

For the Year Ended September 30:	PERSI
2020	\$ 3,850
2021	(21,685)
2022	(10,576)
2023	(5,676)

City of Wilder, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2019

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, 2019, is based on the results of an actuarial valuation date of July 1, 2019.

The long-term expected rate of return on pension plan investments was determined using the building block approach and a forward-looking model in which best estimate ranges of expected future real rates of return (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, 2019

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, 2017.

<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%	3.05%	0.80%
Broad US Equities	Wilshire 5000/Russell 3000	55.00%	8.30%	6.05%
Developed Foreign Equities	MSCI EAFE/World ex US	15.00%	8.45%	6.20%
Assumed Inflation - Mean			2.25%	2.25%
Assumed Inflation - Standard Deviation			1.50%	1.50%
Portfolio Arithmetic Mean Return			6.75%	4.50%
Portfolio Standard Deviation			12.54%	12.54%
Portfolio Long-Term (Geometric) Expected Rate of Return			6.13%	3.77%
Assumed Investment Expenses			0.40%	0.40%
Portfolio Long-Term (Geometric) Expected Real Rate of Return, Net of Investment Expense			5.73%	3.37%
Portfolio Long-Term Expected Real Rate of Return, Net of Investment Expense				4.19%
Portfolio Standard Deviation				14.16%
Valuation Assumptions Chosen by PERSI Board				
Long-Term Expected Real Rate of Return, Net of Investment Expenses				4.05%
Assumed Inflation				3.00%
Long-Term Expected Geometric Rate of Return, Net of Investment Expenses				<u>7.05%</u>

City of Wilder, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2019

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:

	1% Decrease (6.05%)	Current Discount Rate (7.05%)	1% Increase (8.05%)
Employer's proportionate share of the net pension liability (asset)	\$ 384,917	\$ 127,440	\$ (85,486)

Pension plan fiduciary net position

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

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

City of Wilder, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2019

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>9/30/2018</u>	<u>Earned</u>	<u>Used</u>	<u>9/30/2019</u>	<u>Current</u>
Governmental Activities	\$ 11,570	\$ 14,777	\$ 20,723	\$ 5,624	\$ 3,749
Business-type Activities	9,520	11,882	9,811	11,591	7,727
	<u>\$ 21,090</u>	<u>\$ 26,659</u>	<u>\$ 30,534</u>	<u>\$ 17,215</u>	<u>\$ 11,476</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, 2019, was as follows:

	<u>9/30/2018</u>	<u>Additions</u>	<u>Disposals</u>	<u>9/30/2019</u>
<u>Governmental Activities:</u>				
<u>Capital Assets Not Being Depreciated:</u>				
Land	\$ 61,007	\$ -	\$ -	\$ 61,007
<u>Capital Assets Being Depreciated:</u>				
Buildings and Improvements	503,021	-	-	503,021
Equipment	212,527	36,997	(20,631)	228,893
Total Historical Cost	<u>715,548</u>	<u>36,997</u>	<u>(20,631)</u>	<u>731,914</u>
<u>Less: Accumulated Depreciation</u>				
Buildings	115,825	12,823	-	128,648
Equipment	159,244	21,270	(19,181)	161,333
Total Accumulated Depreciation	<u>275,069</u>	<u>34,093</u>	<u>(19,181)</u>	<u>289,981</u>
Net Depreciable Assets	<u>440,479</u>	<u>2,904</u>	<u>(1,450)</u>	<u>441,933</u>
Governmental Activities - Net	<u>\$ 501,486</u>	<u>\$ 2,904</u>	<u>\$ (1,450)</u>	<u>\$ 502,940</u>

City of Wilder, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2019

8. CAPITAL ASSETS (continued)

	9/30/2018	Additions	Disposals	9/30/2019
<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	-	-	6,295,492
Equipment	927,562	7,288	-	934,850
Total Historical Cost	7,223,054	7,288	-	7,230,342
Less: Accumulated Depreciation				
Buildings and Improvements	3,677,333	254,749	-	3,932,082
Equipment	477,725	36,621	-	514,346
Total Accumulated Depreciation	4,155,058	291,370	-	4,446,428
Net Depreciable Assets	3,067,996	(284,082)	-	2,783,914
Business-type Activities - Net	\$3,149,562	\$ (284,082)	\$ -	\$2,865,480

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

<u>Governmental Activities:</u>		<u>Business-type Activities:</u>	
General	\$ 13,643	Water	\$ 111,694
Parks	12,960	Sewer	179,088
Police	5,454	Irrigation	588
Street	2,036		
	\$ 34,093		\$ 291,370

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, 2019, there was a total available credit of \$21,000 , of which \$4,594 was in use.

City of Wilder, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2019

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	9/30/2019	Current Portion
		Reserve	9/30/2018	Increase			
Water Bond	4.875%	\$43,288	336,218	-	(26,897)	309,321	28,209
Sewer Bond	4.000%	\$77,736	1,604,260	-	(46,883)	1,557,377	48,753
			<u>\$1,940,478</u>	<u>\$ -</u>	<u>\$(73,780)</u>	<u>\$1,866,698</u>	<u>\$ 76,962</u>

Debt service requirements on long-term debt at September 30, 2019, are as follows:

Year Ending September 30,	Bonds	
	Principal	Interest
2019	\$ 76,962	\$ 77,379
2020	80,287	74,054
2021	83,757	70,584
2022	87,379	66,962
2023	91,159	63,182
2024 - 2028	475,108	253,047
2029 - 2033	390,874	164,391
2034 - 2038	475,558	79,707
2039 - 2040	105,614	4,231
	<u>\$ 1,866,698</u>	<u>\$ 853,537</u>

Interest expense for the year was \$78,313 for business activities. No interest was capitalized.

City of Wilder, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2019

11. PRIOR PERIOD ADJUSTMENTS

In prior year Capital Assets were understated. This caused the Net Position to be misstated. Net Position were restated as of September 30, 2019 as follows:

	Governmental Funds
Fund Balance, As Previously Reported	\$ 635,864
Increase in Net Position due to capital asset not being reported	<u>8,231</u>
Fund Balance, Restated	<u>\$ 644,095</u>

REQUIRED SUPPLEMENTARY INFORMATION

City of Wilder, Idaho
 Budgetary (GAAP Basis) Comparison Schedule
 General Fund
 For the Year Ended September 30, 2019

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues				
Property Taxes	\$ 277,000	\$ 277,000	\$ 290,338	\$ 13,338
Intergovernmental	154,100	154,100	169,588	15,488
Grants and Contributions	300	300	-	(300)
Licenses and Permits	234,940	234,940	129,858	(105,082)
Interest Earned	1,630	1,630	7,182	5,552
Other	18,040	18,040	21,022	2,982
Total Revenues	<u>686,010</u>	<u>686,010</u>	<u>617,988</u>	<u>(68,022)</u>
Expenditures				
Current:				
Administrative	101,088	101,088	73,838	27,250
General	80,629	80,629	68,469	12,160
Planning and Zoning	79,805	79,805	17,790	62,015
Police	401,488	401,488	398,792	2,696
Capital Outlay	29,000	29,000	31,428	(2,428)
Total Expenditures	<u>692,010</u>	<u>692,010</u>	<u>590,317</u>	<u>101,693</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(6,000)</u>	<u>(6,000)</u>	<u>27,671</u>	<u>33,671</u>
Other Financing Sources (Uses)				
Sale of Assets	6,000	6,000	3,953	(2,047)
Total Other Financing Sources (Uses)	<u>6,000</u>	<u>6,000</u>	<u>3,953</u>	<u>(2,047)</u>
Net Change in Fund Balances	-	-	31,624	31,624
Fund Balances - Beginning	-	-	67,164	67,164
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 98,788</u>	<u>\$ 98,788</u>

City of Wilder, Idaho
 Budgetary (GAAP Basis) Comparison Schedule
 Roads and Streets
 For the Year Ended September 30, 2019

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues				
Property Taxes	\$ 27,800	\$ 27,800	\$ 27,792	\$ (8)
Intergovernmental	80,840	80,840	104,962	24,122
Grants and Contributions	19,246	19,246	17,605	(1,641)
Interest Earned	1,500	1,500	1,950	450
Other	100	100	-	(100)
Total Revenues	<u>129,486</u>	<u>129,486</u>	<u>152,309</u>	<u>22,823</u>
Expenditures				
Current:				
General	110,000	110,000	98,265	11,735
Capital Outlay	37,900	37,900	48,868	(10,968)
Total Expenditures	<u>147,900</u>	<u>147,900</u>	<u>147,133</u>	<u>767</u>
Excess (Deficiency) of Revenues Over Expenditures				
	<u>(18,414)</u>	<u>(18,414)</u>	<u>5,176</u>	<u>23,590</u>
Other Financing Sources (Uses)				
Sale of Assets	4,000	4,000	-	(4,000)
Transfers In	14,414	14,414	-	(14,414)
Total Other Financing Sources (Uses)	<u>18,414</u>	<u>18,414</u>	<u>-</u>	<u>(18,414)</u>
Net Change in Fund Balances	-	-	5,176	5,176
Fund Balances - Beginning	-	-	149,671	149,671
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 154,847</u>	<u>\$ 154,847</u>

City of Wilder, Idaho
 Budgetary (GAAP Basis) Comparison Schedule
 Parks
 For the Year Ended September 30, 2019

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues				
Property Taxes	\$ 18,100	\$ 18,100	\$ 18,620	\$ 520
Charges for Services	5,000	5,000	6,250	1,250
Grants and Contributions	26,330	26,330	1,258	(25,072)
Interest Earned	90	90	244	154
Total Revenues	<u>49,520</u>	<u>49,520</u>	<u>26,372</u>	<u>(23,148)</u>
Expenditures				
Current:				
General	41,960	41,960	21,632	20,328
Capital Outlay	9,560	9,560	675	8,885
Total Expenditures	<u>51,520</u>	<u>51,520</u>	<u>22,307</u>	<u>29,213</u>
Excess (Deficiency) of Revenues Over Expenditures				
	<u>(2,000)</u>	<u>(2,000)</u>	<u>4,065</u>	<u>6,065</u>
Other Financing Sources (Uses)				
Sale of Assets	2,000	2,000	228	(1,772)
Total Other Financing Sources (Uses)	<u>2,000</u>	<u>2,000</u>	<u>228</u>	<u>(1,772)</u>
Net Change in Fund Balances	-	-	4,293	4,293
Fund Balances - Beginning	-	-	14,916	14,916
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,209</u>	<u>\$ 19,209</u>

City of Wilder, Idaho
Notes to Required Supplementary Information
For the Year Ended September 30, 2019

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

City of Wilder, Idaho
Schedule of City Contributions

Public Employees Retirement System of Idaho

Last 10 - Fiscal Years*

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

Data reported is measured as of September 30, 2019

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, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Taxes:			
Property Taxes	\$ 272,000	\$ 287,466	\$ 15,466
Penalties and Interest	5,000	2,872	(2,128)
Total Taxes	<u>277,000</u>	<u>290,338</u>	<u>13,338</u>
Intergovernmental:			
State Liquor Apportionment	62,500	68,523	6,023
State Revenue Sharing	51,300	56,125	4,825
State Sales Tax	40,300	44,940	4,640
Total Intergovernmental	<u>154,100</u>	<u>169,588</u>	<u>15,488</u>
Licenses and Permits:			
Beer, Wine, and Liquor Licenses	1,550	1,625	75
Dog Licenses and Fees	4,600	4,115	(485)
Building Permits	103,150	24,592	(78,558)
Business Permits	1,560	940	(620)
Cable TV Franchise	2,500	742	(1,758)
Rent	12,000	12,000	-
Yard Sale Permits	500	225	(275)
Intermountain Gas Franchise	3,500	3,807	307
Idaho Power Franchise	10,000	8,553	(1,447)
Speedy Quick Agreement	1,080	1,080	-
Park Revenue	5,000	-	(5,000)
Police Services	89,500	72,179	(17,321)
Total Licenses and Permits	<u>234,940</u>	<u>129,858</u>	<u>(105,082)</u>
Other:			
Other	18,040	21,022	2,982
Interest Earned	1,630	7,182	5,552
Donations	300	-	(300)
Total Other	<u>19,970</u>	<u>28,204</u>	<u>8,234</u>
Other Financing Sources:			
Sale of Assets	6,000	3,953	(2,047)
	<u>6,000</u>	<u>3,953</u>	<u>(2,047)</u>
Total Revenue	<u><u>\$ 692,010</u></u>	<u><u>\$ 621,941</u></u>	<u><u>\$ (70,069)</u></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, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Administrative:			
Salaries	\$ 51,679	\$ 40,669	\$ 11,010
Benefits	28,609	25,412	3,197
Miscellaneous	1,650	1,289	361
Supplies	16,450	5,613	10,837
Travel and Meetings	2,700	855	1,845
Total Administrative	<u>101,088</u>	<u>73,838</u>	<u>27,250</u>
General:			
Insurance	4,100	4,200	(100)
Professional Services	17,300	18,466	(1,166)
Miscellaneous	34,379	34,695	(316)
Repairs and Maintenance	15,800	2,903	12,897
Utilities	4,050	3,269	781
Capital Outlay	7,000	463	6,537
Dues	5,000	4,936	64
Total General	<u>87,629</u>	<u>68,932</u>	<u>18,697</u>
Planning and Zoning:			
Salaries	1,830	1,140	690
Insurance	275	275	-
Supplies	100	138	(38)
Professional Services	76,650	16,148	60,502
Travel and Meetings	450	-	450
Miscellaneous	500	89	411
Total Planning and Zoning	<u>79,805</u>	<u>17,790</u>	<u>62,015</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, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Police:			
Salaries	\$ 200,903	\$ 206,634	\$ (5,731)
Benefits	141,885	135,888	5,997
Insurance	3,500	-	3,500
Supplies	23,700	24,144	(444)
Professional Services	9,900	5,785	4,115
Travel and Meetings	500	1,107	(607)
Training	1,500	2,660	(1,160)
Repairs and Maintenance	7,900	12,451	(4,551)
Utilities	11,000	8,606	2,394
Miscellaneous	500	1,392	(892)
Dues	200	125	75
Capital Outlay	22,000	30,965	(8,965)
Total Police	<u>423,488</u>	<u>429,757</u>	<u>(6,269)</u>
Total Expenditures	<u><u>\$ 692,010</u></u>	<u><u>\$ 590,317</u></u>	<u><u>\$ 101,693</u></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, 2019, 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 3, 2019.

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 3, 2019