

CITY OF GOODING, IDAHO

Financial Statements

Year Ended September 30, 2025

CITY OF GOODING, IDAHO
Financial Statements
For the year ended September 30, 2025

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WORKMAN & COMPANY

Office of
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INDEPENDENT AUDITOR'S REPORT

December 19, 2025

To the City Council
City of Gooding, Idaho
Gooding, Idaho

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and the aggregate discretely presented component unit of the City of Gooding, Idaho, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City of Gooding, Idaho's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and the aggregate discretely presented component unit of the City of Gooding, Idaho, as of September 30, 2025, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Gooding, Idaho, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibility

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

Report Continued—

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and post-employment information on pages 29–31 and 32 be presented to supplement the basic financial statements. Management has omitted a management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information. 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.

Supplementary Information

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

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or 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 combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2025, on our consideration of the City of Gooding, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Workman & Company

Certified Public Accountants
Twin Falls, Idaho

CITY OF GOODING, IDAHO
Statement of Net Position
at September 30, 2025

	Governmental Activities	Business-type Activities	Total Primary Government	Component Unit Urban Renewal
<u>ASSETS</u>				
Current Assets:				
Cash and Deposits	\$ 3,809,632	\$ 4,044,232	\$ 7,853,864	\$ 38,561
Receivables:				
Accounts Receivable	11,084	259,610	270,694	
Property Taxes	1,428,784		1,428,784	
Due From Other Governments - State	174,621		174,621	
Prepaid Expenses			0	
Inventory	5,609		5,609	
Total Current Assets	<u>5,429,730</u>	<u>4,303,842</u>	<u>9,733,572</u>	<u>38,561</u>
Non-Current Assets:				
Land	77,089	103,789	180,878	377,083
Construction in Progress		1,987,244	1,987,244	
Buildings and Improvements	979,853	59,391	1,039,244	
Distribution and Operating Systems		34,844,358	34,844,358	
Vehicles and Equipment	1,693,790	2,050,477	3,744,267	
Infrastructure - Roads, Sidewalks, Street Lights	12,592,344		12,592,344	
Totals	15,343,076	39,045,259	54,388,335	377,083
Accumulated Deprecation	(4,212,187)	(9,003,113)	(13,215,300)	
Total Non-Current Assets	<u>11,130,889</u>	<u>30,042,146</u>	<u>41,173,035</u>	<u>377,083</u>
Other Assets and Deferred Outflows of Resources:				
Restricted Cash and Deposits		2,662,378	2,662,378	
Deferred Outflows from Pension Activity	86,929	68,128	155,057	0
Total Other Assets and Deferred Outflows of Resources	<u>86,929</u>	<u>2,730,506</u>	<u>2,817,435</u>	<u>0</u>
Total Assets	<u>16,647,548</u>	<u>37,076,494</u>	<u>53,724,042</u>	<u>415,644</u>
<u>LIABILITIES</u>				
Current Liabilities:				
Accounts and Interest Payable	140,617	879,990	1,020,607	
Advanced Revenues		532,809	532,809	
Health Reimbursements Payable	66,592		66,592	
Customer Deposits		43,949	43,949	
Due or Payable Within One Year - Notes/Bonds/Leases	13,100	379,680	392,780	
Total Current Liabilities	<u>220,309</u>	<u>1,836,428</u>	<u>2,056,737</u>	<u>0</u>
Non Current Liabilities and Deferred Inflows of Resources:				
Compensated Absences	56,087	43,956	100,043	
Unavailable Revenues - Property Taxes	1,341,579		1,341,579	
Bonds Payable, Less Current Portion	61,242	19,168,333	19,229,575	
Net Pension Liability	461,299	361,529	822,828	
Deferred Inflows from Pension Activity	199,702	156,511	356,213	
Total Non Current Liabilities and Deferred Outflows of Resources	<u>778,330</u>	<u>19,730,329</u>	<u>20,508,659</u>	<u>0</u>
Total Liabilities	<u>998,639</u>	<u>21,566,757</u>	<u>22,565,396</u>	<u>0</u>
<u>NET POSITION</u>				
Invested in Capital Assets - net of related debt	11,056,547	10,494,133	21,550,680	377,083
Restricted For:				
Debt Service		2,662,378	2,662,378	
Other Purposes	0		0	
Unrestricted	<u>3,250,783</u>	<u>2,353,226</u>	<u>5,604,009</u>	<u>38,561</u>
Total Net Position	<u>\$ 14,307,330</u>	<u>\$ 15,509,737</u>	<u>\$ 29,817,067</u>	<u>415,644</u>

The accompanying notes are a part of these financial statements.

CITY OF GOODING, IDAHO
Statement of Activities
For the Year Ended September 30, 2025

Activities:	Expenses	Program Revenues		Net (Expense) Revenues and Changes in Net Assets			Component Unit Urban Renewal
		Fees, Fines, and Charges for Services	Capital Grants and Contributions	Governmental Activities	Business Type Activities	Total	
Governmental:							
General Government	\$ 337,423	\$ 42,054	\$ 77,829	\$ (217,540)		\$ (217,540)	
Public Safety	948,410			(948,410)		(948,410)	
Highways and Streets	691,742	1,007		(690,735)		(690,735)	
Cultural and Recreation	137,096	281	120	(136,695)		(136,695)	
Airport Operations	88,892	23,071	172,807	106,986		106,986	
Interest Expense	497			(497)		(497)	
Depreciation	344,013			(344,013)		(344,013)	
Total Governmental Activities	2,548,073	66,413	250,756	(2,230,904)		(2,230,904)	
Business Type:							
Water	940,537	1,022,910	129,979		\$ 212,352	212,352	
Wastewater	1,301,237	1,326,664	2,201,345		2,226,772	2,226,772	
Sanitation	363,559	397,753			34,194	34,194	
Interest - on long-term debt	335,981				(335,981)	(335,981)	
Total Business-type Activities	2,941,314	2,747,327	2,331,324		2,137,337	2,137,337	
Total City of Gooding, Idaho	\$ 5,489,387	\$ 2,813,740	\$ 2,582,080	(2,230,904)	2,137,337	(93,567)	
Component Unit:							
Urban Renewal Agency	\$ 2,617		0				(2,617)
Total							(2,617)
General Revenues:							
Property Taxes, Levied for General Purposes				1,322,765		1,322,765	
Franchises, Licenses, and Permits				129,846		129,846	
State Revenue				415,436		415,436	
Highway Users				372,818		372,818	
State Liquor				49,916		49,916	
Penalty and Interest on Property Taxes				11,619		11,619	
County Court Fines				17,305		17,305	
Miscellaneous				14		14	
Gain on Sale of Assets						0	
Gain (Loss) on Pension Activity				53,069	(151,678)	(98,609)	
Earnings on investments							
General Fund				26,154		26,154	571
Other Funds				42,081	135,233	177,314	
Total general revenues and transfers				2,441,023	(16,445)	2,424,578	571
Changes in net position				210,119	2,120,892	2,331,011	(2,046)
Net Position - Beginning				14,097,211	13,388,845	27,486,056	417,690
Net Position - Ending				\$ 14,307,330	\$ 15,509,737	\$ 29,817,067	\$ 415,644

The accompanying notes are a part of these financial statements.

CITY OF GOODING, IDAHO
Balance Sheet
Governmental Funds
at September 30, 2025

	<u>General Fund</u>	<u>Airport Fund</u>	<u>Street Fund</u>	<u>Combined Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS:					
Cash and Cash Deposits	\$ 1,467,706	\$ 465,158	\$ 1,706,119	\$ 170,649	\$ 3,809,632
Taxes Receivable	985,770	28,582	328,688	85,744	1,428,784
Due From Other Governments	83,420		78,059	13,142	174,621
Gravel Inventory			5,609		5,609
Other Receivables	10,959		125		11,084
	<u>10,959</u>		<u>125</u>		<u>11,084</u>
Total Assets	\$ <u>2,547,855</u>	\$ <u>493,740</u>	\$ <u>2,118,600</u>	\$ <u>269,535</u>	\$ <u>5,429,730</u>
LIABILITIES:					
Accounts Payable	41,724	\$ 35,361	\$ 36,437	\$ 4,204	\$ 117,726
Accrued Payroll Liabilities	19,638	495	2,758		22,891
Health Reimbursements Payable	66,592				66,592
	<u>66,592</u>				<u>66,592</u>
Total Liabilities	127,954	35,856	39,195	4,204	207,209
DEFERRED INFLOWS OF RESOURCES:					
Unavailable Revenue - Property Taxes	926,476	26,781	307,980	80,342	1,341,579
Total Deferred Inflows of Resources	926,476	26,781	307,980	80,342	1,341,579
FUND BALANCE:					
Non-spendable					0
Restricted					0
Committed					0
Assigned		431,103	1,771,425	184,989	2,387,517
Unassigned	1,493,425				1,493,425
	<u>1,493,425</u>				<u>1,493,425</u>
Total Fund Balance	1,493,425	431,103	1,771,425	184,989	3,880,942
Total Liabilities and Fund Balance	\$ <u>2,547,855</u>	\$ <u>493,740</u>	\$ <u>2,118,600</u>	\$ <u>269,535</u>	

Amounts reported for governmental activities in the Statement of Net Position (page 3)
are different because:

Governmental fund capital assets are not financial resources and therefore are not reported in the funds. The cost of assets is \$ 15,343,076 and the accumulated depreciation is \$ 4,212,187	11,130,889
Long-term liabilities, including debt and compensated absences are not payable in the current period and therefore are not reported in the governmental funds	(129,429)
Pension activity is not reported in the government funds	(575,072)
Net Position of Governmental Funds	\$ <u>14,307,330</u>

The accompanying notes are a part of these financial statements.

CITY OF GOODING, IDAHO
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
for the year ended September 30, 2025

	<u>General Fund</u>	<u>Airport Fund</u>	<u>Street Fund</u>	<u>Combined Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUE:					
Property taxes	\$ 893,011	\$ 36,381	\$ 291,649	\$ 101,724	\$ 1,322,765
Franchises, licenses, permits	116,767		13,079		129,846
State of Idaho shared revenue	258,902	1,657	107,099	47,778	415,436
State of Idaho liquor receipts	49,916				49,916
State highway user collections			307,681		307,681
Penalty collection / delinquent notices	11,619				11,619
County court fines	17,305				17,305
Highway Road and Bridge tax			65,137		65,137
Fees, fines and charges for services	42,054	23,071	1,007	281	66,413
Grants and contributions	77,829	172,807		120	250,756
Interest earnings	26,154	7,389	31,280	3,412	68,235
Proceeds from disposition of assets					0
Miscellaneous		11		4	15
Total Revenue	<u>1,493,557</u>	<u>241,316</u>	<u>816,932</u>	<u>153,319</u>	<u>2,705,124</u>
EXPENDITURES:					
General Government	385,941				385,941
Public Safety	966,201				966,201
Airport Operations		152,941			152,941
Streets			715,942		715,942
Parks and Recreation				137,096	137,096
Capital Outlay				7,742	7,742
Total Expenditures	<u>1,352,142</u>	<u>152,941</u>	<u>715,942</u>	<u>144,838</u>	<u>2,365,863</u>
EXCESS REVENUE (EXPENDITURES)	141,415	88,375	100,990	8,481	339,261
OTHER FINANCING SOURCES (USES):					
Operating transfers from other funds					0
Operating transfers (to) other funds					0
NET CHANGE IN FUND BALANCES	141,415	88,375	100,990	8,481	339,261
FUND BALANCE - BEGINNING	<u>1,352,010</u>	<u>342,728</u>	<u>1,670,435</u>	<u>176,508</u>	<u>3,541,681</u>
FUND BALANCE - ENDING	<u><u>\$ 1,493,425</u></u>	<u><u>\$ 431,103</u></u>	<u><u>\$ 1,771,425</u></u>	<u><u>\$ 184,989</u></u>	<u><u>\$ 3,880,942</u></u>

The accompanying notes are a part of these financial statements.

CITY OF GOODING, IDAHO
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
To the Statement of Activities
for the year ended September 30, 2025

Net Change in Fund Balance - Total Governmental Funds (Page 6)	\$ 339,261
<p>Governmental funds report capital outlays as current year expenditures. In the Statement of Activities the cost of these assets is allocated over their estimated useful lives as depreciation expense. This is the amount of current capital outlay for new fixed assets.</p>	
This is the amount of current year depreciation.	(344,013)
This is the amount of new assets paid in the Government Funds.	227,395
This is the amount of disposed of Governmental Fund assets.	0
Amount of deferred property taxes received in the current period	0
Liability for Lease Payable on Police Vehicle	(74,342)
<p>Liability for personal leave days are not recorded in Governmental Funds.</p>	
This is decrease in compensated leave during the year	8,749
Gain (Loss) on Pension Activity	<u>53,069</u>
Change in Net Position of Governmental Activities (Page 4)	<u>\$ 210,119</u>

The accompanying notes are a part of these financial statements.

CITY OF GOODING, IDAHO
Statement of Net Position
Proprietary Funds
at September 30, 2025

	<u>Water</u>	<u>Wastewater</u>	<u>Sanitation</u>	<u>Totals</u>
Assets:				
Current Assets:				
Cash and Deposits	\$ 2,604,572	\$ 971,456	\$ 468,204	\$ 4,044,232
Accts receivable	<u>96,845</u>	<u>125,204</u>	<u>37,561</u>	<u>259,610</u>
Total Current Assets	<u>2,701,417</u>	<u>1,096,660</u>	<u>505,765</u>	<u>4,303,842</u>
Non Current Assets:				
Plant and equipment	10,424,065	27,542,397	1,078,797	39,045,259
Accumulated depreciation	<u>(3,447,549)</u>	<u>(4,499,583)</u>	<u>(1,055,981)</u>	<u>(9,003,113)</u>
Net Non Current Assets	<u>6,976,516</u>	<u>23,042,814</u>	<u>22,816</u>	<u>30,042,146</u>
Other Assets and Deferred Outflows:				
of Resources:				
Restricted Cash and Deposits	40,764	2,621,614		2,662,378
Deferred Outflows from Pensions	<u>21,061</u>	<u>31,732</u>	<u>15,335</u>	<u>68,128</u>
Total Other Assets and Def.	<u>61,825</u>	<u>2,653,346</u>	<u>15,335</u>	<u>2,730,506</u>
Total Assets	<u>9,739,758</u>	<u>26,792,820</u>	<u>543,916</u>	<u>37,076,494</u>
Liabilities:				
Current Liabilities:				
Accounts and Interest Payable	102,423	762,419	15,148	879,990
Advanced Revenues	532,809			532,809
Customer Deposits	43,949			43,949
Current portion long-term debt	<u>84,881</u>	<u>294,799</u>		<u>379,680</u>
Total current liabilities	<u>764,062</u>	<u>1,057,218</u>	<u>15,148</u>	<u>1,836,428</u>
Noncurrent Liabilities and Deferred				
Inflows of Resources:				
Bonds & Loans Payable, Less Cur	4,383,933	14,784,400		19,168,333
Compensated Absences Payable	13,588	20,474	9,894	43,956
Net Pension Liability	111,761	168,392	81,376	361,529
Deferred Inflows from Pensions	<u>48,383</u>	<u>72,899</u>	<u>35,229</u>	<u>156,511</u>
Total noncurrent liabilities	<u>4,557,665</u>	<u>15,046,165</u>	<u>126,499</u>	<u>19,730,329</u>
Total Liabilities	<u>5,321,727</u>	<u>16,103,383</u>	<u>141,647</u>	<u>21,566,757</u>
Net Position:				
Investment in capital assets				
net of related debt	2,507,702	7,963,615	22,816	10,494,133
Restricted	40,764	2,621,614	0	2,662,378
Unrestricted	<u>1,869,565</u>	<u>104,208</u>	<u>379,453</u>	<u>2,353,226</u>
Total Net Position	<u>\$ 4,418,031</u>	<u>\$ 10,689,437</u>	<u>\$ 402,269</u>	<u>\$ 15,509,737</u>

The accompanying notes are a part of these financial statements.

CITY OF GOODING, IDAHO
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
for the year ended September 30, 2025

	<u>Water</u>	<u>Wastewater</u>	<u>Sanitation</u>	<u>Totals</u>
Operating Revenues:				
Charges for services	\$ 955,078	\$ 1,320,470	\$ 396,540	\$ 2,672,088
Hookups, connections and misc. fees	<u>67,832</u>	<u>6,194</u>	<u>1,213</u>	<u>75,239</u>
Total Operating Revenue	<u>1,022,910</u>	<u>1,326,664</u>	<u>397,753</u>	<u>2,747,327</u>
Operating Expenses:				
Salaries and benefits	319,688	488,811	237,815	1,046,314
Administrative and supplies	316,252	331,976	87,235	735,463
Depreciation	<u>304,597</u>	<u>480,450</u>	<u>38,509</u>	<u>823,556</u>
Total Operating Expenses	<u>940,537</u>	<u>1,301,237</u>	<u>363,559</u>	<u>2,605,333</u>
Operating Income	<u>82,373</u>	<u>25,427</u>	<u>34,194</u>	<u>141,994</u>
Nonoperating Revenues (Expenses):				
Interest Income	53,296	73,220	8,717	135,233
Interest Expense	(126,199)	(209,782)		(335,981)
Grants	129,979	2,201,345		2,331,324
Gain (Loss) on Pension Activity	(44,538)	(77,095)	(30,045)	(151,678)
Loss on Fraudulent Activity				0
Total Nonoperating	<u>12,538</u>	<u>1,987,688</u>	<u>(21,328)</u>	<u>1,978,898</u>
Income before transfers	<u>94,911</u>	<u>2,013,115</u>	<u>12,866</u>	<u>2,120,892</u>
Transfers in				
Transfers out				
Net Income	94,911	2,013,115	12,866	2,120,892
Total Net Position - Beginning	<u>4,323,120</u>	<u>8,676,322</u>	<u>389,403</u>	<u>13,388,845</u>
Total Net Position - Ending	<u>\$ 4,418,031</u>	<u>\$ 10,689,437</u>	<u>\$ 402,269</u>	<u>\$ 15,509,737</u>

The accompanying notes are a part of these financial statements.

CITY OF GOODING, IDAHO
Statement of Cash Flows
Proprietary Funds
for the year ended September 30, 2025

	<u>Water</u>	<u>Wastewater</u>	<u>Sanitation</u>	<u>Total</u>
Cash Flows From Operating Activities:				
Receipts from customers	\$ 1,014,856	\$ 1,320,205	\$ 395,815	\$ 2,730,876
Payments to suppliers	(384,773)	(318,969)	(91,719)	(795,461)
Payments to employees	(318,868)	(482,941)	(234,943)	(1,036,752)
Other receipts				0
Net cash provided (used) by operations	<u>311,215</u>	<u>518,295</u>	<u>69,153</u>	<u>898,663</u>
Cash Flows From Capital and Related Financing Activities:				
Purchase and construction of capital assets	(283,594)	(2,238,753)		(2,522,347)
Principal Increased (paid) on capital debt	(82,609)	(290,801)		(373,410)
Interest paid on capital debt	(126,199)	(208,237)		(334,436)
Net cash provided (used) by capital and related financing activities	<u>(492,402)</u>	<u>(2,737,791)</u>	<u>0</u>	<u>(3,230,193)</u>
Cash Flows From Investing Activities:				
Grant Receipts	6,586	2,201,345		2,207,931
Interest Income	53,296	73,220	8,717	135,233
Net cash provided (used) by investing	<u>59,882</u>	<u>2,274,565</u>	<u>8,717</u>	<u>2,343,164</u>
Net Increase (Decrease) in Cash and Deposits	(121,305)	55,069	77,870	11,634
Balances - Beginning of the year	<u>2,766,641</u>	<u>3,538,001</u>	<u>390,334</u>	<u>6,694,976</u>
Balances - Ending of the year	<u>\$ 2,645,336</u>	<u>\$ 3,593,070</u>	<u>\$ 468,204</u>	<u>\$ 6,706,610</u>
Displayed as:				
Pooled Cash and Investments	2,604,572	971,456	468,204	4,044,232
Restricted Assets	40,764	2,621,614	0	2,662,378
Balances - Ending of the year	<u>\$ 2,645,336</u>	<u>\$ 3,593,070</u>	<u>\$ 468,204</u>	<u>\$ 6,706,610</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:				
Operating Income	82,373	25,427	34,194	141,994
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation expense	304,597	480,450	38,509	823,556
Changes in assets and liabilities:				
Receivables, net	8,054	(6,459)	(1,938)	(343)
Accounts and other payables	(84,629)	11,464	(4,484)	(77,649)
Compensated absences	820	7,413	2,872	11,105
Customer deposits	0			0
Net Cash Provided (Used) by Operating Activates	<u>\$ 311,215</u>	<u>\$ 518,295</u>	<u>\$ 69,153</u>	<u>\$ 898,663</u>

The accompanying notes are a part of these financial statements.

**CITY OF GOODING, IDAHO
NOTES TO THE FINANCIAL STATEMENTS
AT SEPTEMBER 30, 2025**

Note 1 - Summary of Significant Accounting Policies

Reporting Entity

The City of Gooding (the City) is a municipal corporation governed by a mayor and four-member council. In evaluating how to define the City for financial reporting purposes, management has considered all potential component units by evaluating the criteria set forth under GASB Statement (GASBS) No. 14, *The Financial Reporting Entity*, as amended by GASBS No. 39, *Determining Whether Certain Organizations Are Component Units* and GASBS No. 61, *The Financial Reporting Entity: Omnibus*. These criteria include: 1) whether the potential component unit is a legally separate organization, 2) whether the City has the ability to exercise financial accountability either by appointing a voting majority of the potential component unit's board or by significantly influencing the program, projects, activities, or level of service performed by the potential component unit, 3) whether the potential component unit is fiscally dependent on the City and whether a financial benefit or burden relationship exists, and 4) whether excluding the potential component unit from the City's financial statements would render the City's financial statements misleading.

Based upon the application of these criteria, the City of Gooding has one discretely presented component unit included in the accompanying financial statements. The Urban Renewal Agency of Gooding ("Agency") was created by the City of Gooding pursuant to Idaho Code §50-2008 to rehabilitate, conserve, and/or redevelop deteriorated or deteriorating areas within the City of Gooding. The City identified the Gooding Industrial Park as an appropriate area for an urban renewal project and appoints the members of the Board of Commissioners of the Agency. The financial statements are formatted to allow the user to clearly distinguish between the City and its component unit. No separate financial statements are available for the Agency.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the governmental entity. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. *Program revenues* include 1) fees, fines, and charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

**CITY OF GOODING, IDAHO
NOTES TO THE FINANCIAL STATEMENTS
AT SEPTEMBER 30, 2025**

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus. The government-wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Non-exchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Grants received in advance of meeting the eligibility requirements are recorded as a liability (advanced revenue).

Governmental fund financial statements are reported using the *current financial resources* measurement focus and the *modified accrual* basis of accounting. Revenues are recognized as soon as they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days after year end. Expenditures generally are recorded when the liability is incurred, as under accrual accounting.

However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest revenue associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. Sales taxes collected and held by the state at year end on behalf of the government also are recognized as revenue. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

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

The *airport fund* accounts for grant and property tax revenue that is assigned for maintenance and construction of airport facilities.

**CITY OF GOODING, IDAHO
NOTES TO THE FINANCIAL STATEMENTS
AT SEPTEMBER 30, 2025**

The *street fund* accounts for highway user revenue that is restricted and property tax revenue that is assigned for maintenance and construction of city streets.

The City reports the following major proprietary funds:

The *water fund* is used to account for the costs necessary to operate the City's water system and the charges necessary to offset those costs.

The *sewer fund* is used to account for the costs necessary to operate the City's sewer system and the charges necessary to offset those costs.

The *sanitation fund* is used to account for the costs necessary to operate the City's sanitation system and the charges necessary to offset those costs.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are any charges between the government's water and sewer utilities and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

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

Assets, Deferred Outflows and Inflows of Resources, Liabilities and Net Position or Equity

Deposits and Investments

The City's cash is considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. The City's restricted cash consist of cash that cannot be used for the City's general operations. At September 30,

**CITY OF GOODING, IDAHO
NOTES TO THE FINANCIAL STATEMENTS
AT SEPTEMBER 30, 2025**

2024, this includes the Police Asset Forfeiture account in the City's general fund and customer advanced deposits in the Water Works enterprise fund.

The City's investments consist of certificates of deposit with original maturities greater than 90 days that are reported at amortized cost. State statute authorizes the City to invest in places of deposit as provided by ordinance; including obligations of the U.S. Treasury, time deposit accounts, commercial paper, corporate bonds, revenue and general obligation bonds, tax anticipation bonds or notes, repurchase agreements, and the Idaho State Treasurer's Local Government Investment Pool. Investments for the City are reported at fair value.

Receivables and Payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "interfund balances." interfund balances offset each other and are not a part of the government-wide financial statements. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "interfund balances." All other interfund transactions, including nonrecurring or non-routine permanent transfers of equity and operating transfers, are reported as "interfund transfers." interfund transfers offset each other and are not a part of the government-wide financial statements.

Non-tax receivables are recognized as revenues received from the State and Federal governments if designated for the current fiscal period. No allowance for uncollectible property taxes has been accrued. The City feels property taxes are ultimately collectible through property liens and/or forced sales and any amounts not collected are immaterial to the financial statements taken as a whole.

The City requires advance deposits for water, sewer, and sanitation service, actively monitors the service revenue accounts for delinquency, discontinues services if payments are not received in a timely manner, and uses a collection agency for past due amounts. The allowance for doubtful accounts is established to provide an estimate of accounts receivable that are expected to be unrecoverable. Losses are charged against the allowance when management believes the collectability of a receivable is unlikely. Subsequent recoveries, if any, are credited to the allowance. The allowance for doubtful accounts is based on specifically identified questionable receivables and historical collection patterns. The evaluation is inherently subjective as it requires estimates that are subject to significant revision as more information becomes available.

Inventories

Inventories are valued at cost, which approximates market value, using the first-in/first-out (FIFO) method. The costs of governmental fund inventories are recorded as expenditures when consumed rather than when purchased. In governmental funds, reported inventories are equally offset by

**CITY OF GOODING, IDAHO
NOTES TO THE FINANCIAL STATEMENTS
AT SEPTEMBER 30, 2025**

nonspendable fund balance amounts, indicating that they do not constitute "available spendable resources" even though they are a component of net current assets. The net change in nonspendable fund balances is not presented because the combined statements of revenues, expenditures, and changes in fund balances reflects the changes in total fund balances rather than just the spendable and nonspendable fund balances.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. General infrastructure assets acquired prior to October 1, 2003 (other than in proprietary funds) have not been capitalized. Subsequent to October 1, 2003, any newly acquired or constructed infrastructure assets have been capitalized. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

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

<u>Assets</u>	<u>Years</u>
Buildings	25 - 50
Building improvements	25
Public domain infrastructure	50
System infrastructure	30
Equipment and vehicles	5 - 25
Office equipment	3-5

Deferred Outflows of Resources

Deferred outflows of resources are a consumption of net position by the City that is applicable to future reporting periods. Similar to assets, they have a positive effect on net position. The government-wide statement of net position reports the future outflows related to pension obligations.

CITY OF GOODING, IDAHO
NOTES TO THE FINANCIAL STATEMENTS
AT SEPTEMBER 30, 2025

Deferred Inflows of Resources

Deferred inflows of resources are an acquisition of net position that is applicable to future reporting periods. Similar to liabilities, they have a negative effect on net position. The government-wide statement of net position reports the property taxes levied for the following year as well as future inflows related to pension obligations as a deferred inflow or resources. Other items reported as deferred inflow of resources arise under a modified accrual basis of accounting in the City's governmental funds. The unavailable revenues from property taxes will be recognized as an inflow or resources in the period the amounts become available.

Compensated Absences

Employees of the City are entitled to paid vacation and paid sick leave depending on job classification, length of service, and other factors. There is no liability for unpaid accumulated sick leave since the City does not have a policy to pay any amounts when employees separate from service with the city. All vacation days are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs, except any portion related to prepaid insurance costs, are recognized as an expense in the period incurred.

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

Net Position and Fund Balances

Fund equity at the governmental fund financial reporting level is classified as "fund balance." Fund equity for all other reporting is classified as "net position."

Governmental Fund Balances - Generally, governmental fund balances represent the difference between the current assets and deferred outflows of resources, and current liabilities and deferred inflows of resources. Governmental funds report fund balance classifications that comprise a

**CITY OF GOODING, IDAHO
NOTES TO THE FINANCIAL STATEMENTS
AT SEPTEMBER 30, 2025**

hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those resources can be spent. Fund balances are classified as follows.

Nonspendable - Includes amounts that cannot be spent because they are not in spendable form, or they are legally or contractually required to be maintained intact. This classification includes inventories, prepaid amounts, assets held for sale, and long-term receivables.

Restricted- Constraints placed on the use of these resources are either externally imposed by creditors (such as through debt covenants), granters, contributors, or other governments; or are imposed by law (through constitutional provisions or enabling legislation).

Committed - Amounts that can only be used for specific purposes because of a formal action (resolution or ordinance) by the City's highest level of decision-making authority, the City Council. With the exception of the General Fund, this is the residual fund balance classification for all governmental funds with positive balances.

Assigned- Amounts that are constrained by the City's intent to be used for specific purposes, but that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the Mayor, or by an official to whom that authority has been given.

Unassigned-This is the residual classification of the General Fund. Only the General Fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification, as the result of overspending for specific purposes for which amounts had been restricted, committed, or assigned.

When an expenditure is incurred for which restricted, committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of restricted funds, then committed funds, followed by assigned funds, and finally unassigned funds, as needed, unless City Council has provided otherwise in its commitment or assignment actions.

Net Position - Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is reported as unrestricted.

The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

**CITY OF GOODING, IDAHO
NOTES TO THE FINANCIAL STATEMENTS
AT SEPTEMBER 30, 2025**

Contingent Liabilities- Federal Assistance

Amounts received or receivable from grantor agencies are subject to audit and adjustment by such agencies, principally by the federal government. Any disallowed claims, including amounts already collected, could become a liability of the general fund or other applicable funds. The amount, if any, of expenditures that may be disallowed by the granter cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

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.

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.

Note 2 - Detailed Notes on All Funds

Deposits

Following is a summary of the City's bank deposit balances as of September 30, 2025:

	<u>Bank Balances</u>
Insured	\$ 415,973
Collateralized	4,371,443
Uninsured and uncollateralized	<u>5,716,126</u>
Total	\$ <u><u>10,516,242</u></u>

Custodial Credit Risk- Deposits. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. As of September 30, 2025, the carrying amount of the City's deposits was \$10,516,242 and the respective bank balances totaled \$10,544,205. Of the bank balances, \$5,716,126 was exposed to custodial credit risk because the balances were not covered by depository insurance or collateralized.

**CITY OF GOODING, IDAHO
NOTES TO THE FINANCIAL STATEMENTS
AT SEPTEMBER 30, 2025**

Property Tax Calendar

The City's property tax is levied each September on the value listed as of the prior January 1 for all real property located in the City. The lien date is effective January 1 of the year the property tax is levied. All property taxes are billed and collected by Gooding County and remitted to the City. A revaluation of all property is required to be completed no less than every five years.

Under Idaho Code, the City is permitted to levy taxes for general revenue and special revenue purposes on the market value for assessment purposes of all taxable real property within the limits of the City. The actual tax levy for the year ended September 30, 2025 was \$1,339,044.

Taxes are due in two equal installments on December 20 and June 20 following the levy date. In the governmental fund financial statements, property taxes are reflected as revenues in the fiscal period for which they were levied, provided they are due, or past due and receivable within the current period, and collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period (60 days). Otherwise, they are reported as deferred inflows of resources.

Accounts Receivable

At September 30, 2025, amounts billed and outstanding for the enterprise funds was \$259,610. No allowance for doubtful accounts has been recorded as all doubtful accounts are available to have tax liens attached to the real property involved, that will ultimately be collected by the county.

Interfund Receivables, Payables, and Transfers

Interfund balances relate to temporary loans to cover cash shortfalls while the fund awaiting reimbursement. Internal balances are expected to be settled within one year. There were no interfund receivables, payables, or transfers as of and for the year ended September 30, 2025.

**CITY OF GOODING, IDAHO
NOTES TO THE FINANCIAL STATEMENTS
AT SEPTEMBER 30, 2025**

Capital Assets

Capital asset activity for the year ended September 30, 2025, was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental Activities:				
<i>Capital Assets not being depreciated:</i>				
Land	\$ 77,089	\$	\$	\$ 77,089
Construction in Progress	0			0
Total	<u>77,089</u>	<u>0</u>	<u>0</u>	<u>77,089</u>
<i>Capital Assets being depreciated:</i>				
Buildings and Improvements	979,853			979,853
Vehicles and Equipment	1,549,454	144,336		1,693,790
Roads & Infrastructure	<u>12,509,286</u>	<u>83,058</u>		<u>12,592,344</u>
Total	15,038,593	227,394	0	15,265,987
Less: Accumulated Depreciation	<u>(3,868,173)</u>	<u>(344,014)</u>		<u>(4,212,187)</u>
Governmental capital assets, net	\$ <u>11,247,509</u>	\$ <u>(116,620)</u>	\$ <u>0</u>	\$ <u>11,130,889</u>
Business-type activities:				
<i>Capital Assets not being depreciated:</i>				
Land	\$ 103,789	\$	\$	\$ 103,789
Construction in Progress	<u>20,333,064</u>		<u>(18,345,820)</u>	<u>1,987,244</u>
Total	<u>20,436,853</u>	<u>0</u>	<u>(18,345,820)</u>	<u>2,091,033</u>
<i>Capital Assets being depreciated:</i>				
Distribution and Operating System	14,065,584	20,838,165		34,903,749
Machinery and Equipment	<u>2,020,474</u>	<u>30,003</u>		<u>2,050,477</u>
Total	16,086,058	20,868,168	0	36,954,226
Less: Accumulated Depreciation	<u>(8,179,555)</u>	<u>(823,558)</u>		<u>(9,003,113)</u>
Total Net Depreciated Assets	<u>7,906,503</u>	<u>20,044,610</u>	<u>0</u>	<u>27,951,113</u>
Business-type capital assets, net	\$ <u>28,343,356</u>	\$ <u>20,044,610</u>	\$ <u>(18,345,820)</u>	\$ <u>30,042,146</u>

**CITY OF GOODING, IDAHO
NOTES TO THE FINANCIAL STATEMENTS
AT SEPTEMBER 30, 2025**

Long-Term Debt

On April 5, 2018, the City executed a grant /loan agreement with the USDA Rural Utilities Service. The maximum amount of the loan /grant available to be drawn totals \$5,000,000 and \$1,600,000, respectively. The loan is repayable over a period of 40 years from the date of the loan closing. Annual payments of principal and interest total \$207,700. Interest is accrued yearly at a rate of 2.75% and the loan is expected to be repaid by the net revenues of the City's water system. On May 3, 2018, the City executed a loan agreement with the Idaho Department of Environmental Quality to replace headworks and improve the treatment process including adding filtration, chemical treatment, and sludge draying bed. In 2024 the interim financing was paid from the final Sewer Revenue Bond, Series 2024 in the amount of \$15,370,000. The bond is required to be repaid in annual installments of \$502,138 including principal and interest over the next 40 years. Interest is accrued yearly at a rate of 1.375% and the loan is expected to be repaid by the net revenues of the City's wastewater system.

The following is a summary of debt maturity requirements for bonds payable to the USDA as of September 30, 2025.

Water Revenue Bond, Series 2018				Sewer Revenue Bond, Series 2024			
Fiscal Year				Fiscal Year			
<u>Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 84,881	\$ 122,819	\$ 207,700	2026	\$ 294,799	\$ 207,339	\$ 502,138
2027	87,215	120,485	207,700	2027	298,852	203,286	502,138
2028	89,614	118,086	207,700	2028	302,962	199,176	502,138
2029	92,078	115,622	207,700	2029	307,127	195,011	502,138
2030	94,610	113,090	207,700	2030	311,350	190,788	502,138
2031-2035	513,538	524,962	1,038,500	2031-2035	1,622,158	888,532	2,510,690
2036-2040	588,141	450,359	1,038,500	2036-2040	1,736,790	773,900	2,510,690
2041-2045	673,582	364,918	1,038,500	2041-2045	1,859,524	651,166	2,510,690
2046-2050	771,436	267,064	1,038,500	2046-2050	1,990,930	519,760	2,510,690
2051-2055	883,505	154,995	1,038,500	2051-2055	2,131,623	379,067	2,510,690
2056-2058	590,214	32,526	622,740	2056-2065	4,223,084	295,584	4,518,668
Totals	\$ <u>4,468,814</u>	\$ <u>2,384,926</u>	\$ <u>6,853,740</u>		<u>15,079,199</u>	\$ <u>4,503,609</u>	\$ <u>19,582,808</u>

**CITY OF GOODING, IDAHO
NOTES TO THE FINANCIAL STATEMENTS
AT SEPTEMBER 30, 2025**

Operating and Other Leases

The City of Gooding, in the current period, has entered into a lease for a 2024 Chevrolet Tahoe Police Vehicle. The lease is payable over the next four years. The cost of the vehicle is \$91,635, with \$17,293 plus interest paid at closing and \$74,342 payable as follows with 6.24% interest:

	Annual Payment			
	Interest Rate	Fiscal Year	Principal Payment	Interest Payment
Chevrolet Tahoe Lease Payable				
\$91,635.38 amount financed				
	6.24%	2026	\$ 13,100	\$ 4,691
	6.24%	2027	13,927	3,864
	6.24%	2028	22,934	2,986
	6.24%	2029	24,381	1,539
			<u>74,342</u>	<u>13,080</u>
			\$	\$

Note 3- Discretely Presented Component Unit

In 2025, there were no transactions between the Gooding Urban Renewal Agency (Agency) and the City of Gooding. The Gooding Urban Renewal Agency continues to rehabilitate, conserve, and/or redevelop deteriorated or deteriorating areas within the City of Gooding. There were no additions, deletions, or other changes in the capital asset balances for the Agency during fiscal year 2025.

Note 4 - Employee's Retirement Plan

Plan Description

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

**CITY OF GOODING, IDAHO
NOTES TO THE FINANCIAL STATEMENTS
AT SEPTEMBER 30, 2025**

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

Pension Benefits

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

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

Member and Employer Contributions

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

The contribution rates for employees are set by statute at 60% of the employer rate for general employees and 72% for public safety. As of June 30, 2025, it was 7.18% for general employees and 10.36% for public safety. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.96% for general employees and 13.48% for police and firefighters. The City's contributions were \$214,331 for the year ended September 30, 2025.

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

**CITY OF GOODING, IDAHO
NOTES TO THE FINANCIAL STATEMENTS
AT SEPTEMBER 30, 2025**

At September 30, 2025, the City reported an asset for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2025, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. The City's proportion of the net pension asset was based on the City's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2025, the City's proportion was .03402697 percent.

For the year ended September 30, 2025, the City recognized pension expense (expense offset) of \$98,609. At September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 155,057	
Changes in assumptions or other inputs		\$ 144,692
Net difference between projected and actual earnings on pension plan investments		\$ 211,521
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	\$(52,311)	
City's contributions subsequent to the measurement date	\$ 52,311	
Total	\$ 155,057	\$ 356,213

\$52,311 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, 2026.

**CITY OF GOODING, IDAHO
NOTES TO THE FINANCIAL STATEMENTS
AT SEPTEMBER 30, 2025**

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, 2025, the beginning of the measurement period ended June 30, 2024 is 4.6 years and 4.6 for the measurement period June 30, 2025.

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:

Year ended September 30, 2025:

2026	\$ 140,729
2027	\$ (137,519)
2028	\$ (125,846)
2029	\$ (78,520)

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 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, 2025, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary increases	3.15%
Salary increases including inflation*	3.15%
Investment rate of return, net of investment expenses	6.55%
Cost-of-living adjustments	1.0%

Contributing Members, Service Retirement Members, and Beneficiaries

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

**CITY OF GOODING, IDAHO
NOTES TO THE FINANCIAL STATEMENTS
AT SEPTEMBER 30, 2025**

For the base plan, Economic assumptions were studied in an experience study performed for the period July 1, 2015 through June 30, 2020 which reviewed all economic and demographic assumptions, including mortality. The Total Pension Liability as of June 30, 2025, is based on the results of an actuarial valuation date of July 1, 2025.

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. 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 2025.

2025		
	DB Plans	Sick Leave
Asset Class		
Fixed Income	30.00%	50.00%
US/Global Equity	55.00%	39.30%
International Equity	15.00%	10.70%
Cash	0.00%	0.00%
Discount Rate		

The discount rate used to measure the total pension liability was 6.55%. 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

**CITY OF GOODING, IDAHO
NOTES TO THE FINANCIAL STATEMENTS
AT SEPTEMBER 30, 2025**

available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return was determined net of pension plan investment expense but without reduction for pension plan administrative expense.

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

The following presents the Employer's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.55 percent, as well as what the Employer's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.55 percent) or 1-percentage-point higher (7.55 percent) than the current rate:

	1% Decrease (5.55%)	Current Discount Rate (6.55%)	1% Increase (7.55%)
Employer's proportionate share of the net pension liability (asset)	\$ 814,599	\$ 822,827	\$ 831,055

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.

Payables to the pension plan

At September 30, 2025, there were no payables to the defined benefit pension plan for legally required employer contributions or for legally required employee contributions which had been withheld from employee wages but not yet remitted to PERSI.

**CITY OF GOODING, IDAHO
NOTES TO THE FINANCIAL STATEMENTS
AT SEPTEMBER 30, 2025**

Note 5 - Other Information Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the City carries commercial insurance.

In May 2024, the City was the target of a fraudulent invoicing payment scheme in the Sewer construction fund in which \$1,092,519 was stolen by outside parties. Federal law enforcement agencies recovered \$989,524 of these monies and remitted them back to the City. The City's insurance carrier has paid \$100,000 to the City on this claim. At the financial statement date, federal agencies are continuing to pursue approximately \$97,000 of the original fraudulent activity. Federal law enforcement agencies have indicated to the City that they are reasonably sure of the collection of the final \$97,000 will occur. It is the City's position that if any additional money is recovered these funds will be paid back against the insurance claim.

**REQUIRED
SUPPLEMENTARY INFORMATION**

CITY OF GOODING, IDAHO
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual -- General Fund
for the year ended September 30, 2025

	<u>Original Budget Amounts</u>	<u>Final Budget Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUE:				
Property Taxes	\$ 890,219	\$ 890,219	\$ 893,011	\$ 2,792
Franchises, licenses, permits	98,900	98,900	116,767	17,867
State of Idaho shared revenue	236,337	236,337	258,902	22,565
State of Idaho liquor receipts	55,390	55,390	49,916	(5,474)
Penalty and interest on property taxes	12,000	12,000	11,619	(381)
County court fines	15,800	15,800	17,305	1,505
Fees, fines, and charges for services	57,741	57,741	42,054	(15,687)
Grants and contributions	116,000	116,000	77,829	(38,171)
Earnings on investments	36,000	36,000	26,154	(9,846)
Gain on Sale of Assets	20,000	20,000	0	(20,000)
Miscellaneous	0	0	0	0
Total Revenue	<u>1,538,387</u>	<u>1,538,387</u>	<u>1,493,557</u>	<u>(44,830)</u>
EXPENDITURES:				
General Government	460,862	460,862	385,941	74,921
Public Safety	<u>1,188,835</u>	<u>1,188,835</u>	<u>966,201</u>	<u>222,634</u>
Total Expenditures	<u>1,649,697</u>	<u>1,649,697</u>	<u>1,352,142</u>	<u>297,555</u>
EXCESS REVENUE (EXPENDITURES)	(111,310)	(111,310)	141,415	252,725
OTHER FINANCING SOURCES (USES):				
Operating transfers from other funds			0	0
Operating transfers (to) other funds			<u>0</u>	<u>0</u>
NET CHANGE IN FUND BALANCES	(111,310)	(111,310)	141,415	252,725
FUND BALANCE - BEGINNING	<u>1,352,010</u>	<u>1,352,010</u>	<u>1,352,010</u>	<u>0</u>
FUND BALANCE - ENDING	<u>\$ 1,240,700</u>	<u>\$ 1,240,700</u>	<u>\$ 1,493,425</u>	<u>\$ 252,725</u>

CITY OF GOODING, IDAHO
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual -- Airport Fund
for the year ended September 30, 2025

	<u>Original Budget Amounts</u>	<u>Final Budget Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUE:				
Property Taxes	\$ 36,480	\$ 36,480	\$ 36,381	\$ (99)
State of Idaho shared revenue	1,520	1,520	1,657	137
Rents - hanger and land	14,505	14,505	14,266	(239)
Operator fuel	5,600	5,600	6,805	1,205
Permits and Spraying	6,000	6,000	2,000	(4,000)
Grants and contributions	485,000	485,000	172,807	(312,193)
Earnings on investments	14,300	14,300	7,389	(6,911)
Gain on Sale of Assets			0	0
Miscellaneous			11	11
Total Revenue	<u>563,405</u>	<u>563,405</u>	<u>241,316</u>	<u>(322,089)</u>
EXPENDITURES:				
General Government - Airport Operations	603,835	603,835	152,941	450,894
Total Expenditures	<u>603,835</u>	<u>603,835</u>	<u>152,941</u>	<u>450,894</u>
EXCESS REVENUE (EXPENDITURES)	(40,430)	(40,430)	88,375	128,805
OTHER FINANCING SOURCES (USES):				
Operating transfers from other funds				0
Operating transfers (to) other funds				0
NET CHANGE IN FUND BALANCES	(40,430)	(40,430)	88,375	128,805
FUND BALANCE - BEGINNING	<u>342,728</u>	<u>342,728</u>	<u>342,728</u>	<u>0</u>
FUND BALANCE - ENDING	<u>\$ 302,298</u>	<u>\$ 302,298</u>	<u>\$ 431,103</u>	<u>\$ 128,805</u>

CITY OF GOODING, IDAHO
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual -- Street Fund
for the year ended September 30, 2025

	<u>Original Budget Amounts</u>	<u>Final Budget Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUE:				
Property Taxes	\$ 290,562	\$ 290,562	\$ 291,649	\$ 1,087
Franchises, licenses, permits	15,100	15,100	13,079	(2,021)
State of Idaho shared revenue	97,770	97,770	107,099	9,329
Highway revenue county	58,256	58,256	65,137	6,881
State highway user collections	204,350	204,350	307,681	103,331
Fees, fines, and charges for services	0	0	1,007	1,007
Grants and contributions	400,000	400,000	0	(400,000)
Earnings on investments	16,900	16,900	31,280	14,380
Proceeds from disposition of assets			0	0
Miscellaneous	300	300	0	(300)
Total Revenue	<u>1,083,238</u>	<u>1,083,238</u>	<u>816,932</u>	<u>(266,306)</u>
EXPENDITURES:				
Streets	<u>1,644,880</u>	<u>1,644,880</u>	<u>715,942</u>	<u>928,938</u>
Total Expenditures	<u>1,644,880</u>	<u>1,644,880</u>	<u>715,942</u>	<u>928,938</u>
EXCESS REVENUE (EXPENDITURES)	(561,642)	(561,642)	100,990	662,632
OTHER FINANCING SOURCES (USES):				
Operating transfers from other funds				0
Operating transfers (to) other funds				0
NET CHANGE IN FUND BALANCES	(561,642)	(561,642)	100,990	662,632
FUND BALANCE - BEGINNING	<u>1,670,435</u>	<u>1,670,435</u>	<u>1,670,435</u>	<u>0</u>
FUND BALANCE - ENDING	<u>\$ 1,108,793</u>	<u>\$ 1,108,793</u>	<u>\$ 1,771,425</u>	<u>\$ 662,632</u>

CITY OF GOODING, IDAHO
PUBLIC EMPLOYEE PENSION INFORMATION
For the year ended September 30, 2025

Required Supplementary Information

Schedule of Employer's Share of Net Pension Liability
PERSI - Base Plan
Last 10 - Fiscal Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Employer's portion of the net pension liability	.0332856%	.0383104%	.0384052%	.0411506%	.0382130%
Employer's proportionate share of the net pension liability (asset)	\$ 772,935	\$ 437,302	\$ 566,484	\$ 646,817	\$ 774,636
Employer's covered-employee payroll	\$ 1,067,210	\$ 1,282,299	\$ 1,162,414	\$ 1,266,918	\$ 1,106,859
Employer's proportional share of the net pension liability (asset) as a percentage of its covered-employee payroll	72.43%	34.10%	48.73%	51.05%	69.99%
Plan fiduciary net position as a percentage of the total pension liability (asset)	88.22%	93.79%	91.69%	90.68%	87.26%
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Employer's portion of the net pension liability	.03402697%	.03204382%	.03135705%	.0313690%	.0315475%
Employer's proportionate share of the net pension liability (asset)	\$ 822,827	\$ 1,198,646	\$ 1,251,357	\$ 1,235,549	\$ (24,915)
Employer's covered-employee payroll	\$ 1,726,049	\$ 1,475,871	\$ 1,317,482	\$ 1,194,566	\$ 1,083,647
Employer's proportional share of the net pension liability (asset) as a percentage of its covered-employee payroll	47.67%	81.22%	94.98%	103.43%	-2.30%
Plan fiduciary net position as a percentage of the total pension liability (asset)	90.89%	85.54%	83.83%	83.09%	100.36%

Data reported is measured as of June 30, 2025

Schedule of Employer's Contributions
PERSI - Base Plan
Last 10 - Fiscal Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Statutorily required contributions	\$ 128,371	\$ 148,199	\$ 132,781	\$ 144,682	\$ 126,514
Contributions in relation to the statutorily required contribution	\$ (128,371)	\$ (148,199)	\$ (132,781)	\$ (144,682)	\$ (126,514)
Contribution (deficiency) excess	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Employer's covered-employee payroll	\$ 1,067,210	\$ 1,282,299	\$ 1,162,414	\$ 1,266,918	\$ 1,106,859
Contributions as a percentage of covered-employee payroll	12.03%	11.56%	11.42%	11.42%	11.43%
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Statutorily required contributions	\$ 214,331	\$ 175,565	\$ 158,641	\$ 143,929	\$ 130,423
Contributions in relation to the statutorily required contribution	\$ (214,331)	\$ (175,565)	\$ (158,641)	\$ (143,929)	\$ (130,423)
Contribution (deficiency) excess	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Employer's covered-employee payroll	\$ 1,726,049	\$ 1,475,871	\$ 1,317,482	\$ 1,194,566	\$ 1,083,647
Contributions as a percentage of covered-employee payroll	12.42%	11.90%	12.04%	12.05%	12.04%

**OTHER
SUPPLEMENTARY INFORMATION**

CITY OF GOODING, IDAHO
Combining Balance Sheets
Combining Other Governmental Funds
at September 30, 2025

	<u>Capital Improvement Fund</u>	<u>Parks and Recreation Fund</u>	<u>Total Combined Other Governmental Funds</u>
ASSETS:			
Cash and Cash Deposits	\$ 98,796	\$ 71,853	\$ 170,649
Taxes Receivable	14,290	71,454	85,744
Due From Other Governments	<u>13,142</u>	<u>13,142</u>	<u>13,142</u>
Total Assets	\$ <u>113,086</u>	\$ <u>156,449</u>	<u>269,535</u>
LIABILITIES:			
Accounts Payable	\$	\$ 4,204	\$ 4,204
Deferred Revenues	13,390	66,952	80,342
Due To Other Funds	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities	<u>13,390</u>	<u>71,156</u>	<u>84,546</u>
FUND BALANCE:			
Non-spendable			0
Restricted			0
Committed			0
Assigned	99,696	85,293	184,989
Unassigned	<u>0</u>	<u>0</u>	<u>0</u>
Total Fund Balance	<u>99,696</u>	<u>85,293</u>	<u>184,989</u>
Total Liabilities and Fund Balance	\$ <u>113,086</u>	\$ <u>156,449</u>	<u>269,535</u>

The accompanying notes are a part of these financial statements.

CITY OF GOODING, IDAHO
Statement of Revenues, Expenditures, and Changes in Fund Balances
Combining Other Governmental Funds
for the year ended September 30, 2025

	<u>Capitol Improvement Fund</u>	<u>Park and Recreation Fund</u>	<u>Total Combined Other Governmental Funds</u>
REVENUE:			
Property taxes	\$ 27,115	\$ 74,609	\$ 101,724
State of Idaho shared revenue	832	46,946	47,778
Proceeds from sale of assets			0
Fees and charges for services		281	281
Grants and contributions		120	120
Earnings on investments	1,604	1,808	3,412
Miscellaneous		4	4
	<u>29,551</u>	<u>123,768</u>	<u>153,319</u>
Total Revenue			
EXPENDITURES:			
Capital outlay	7,742		7,742
Parks and Recreation		137,096	137,096
	<u>7,742</u>	<u>137,096</u>	<u>144,838</u>
Total Expenditures			
EXCESS REVENUE (EXPENDITURES)	21,809	(13,328)	8,481
OTHER FINANCING SOURCES (USES):			
Operating transfers from other funds			0
Operating transfers (to) other funds			0
	<u>21,809</u>	<u>(13,328)</u>	<u>8,481</u>
NET CHANGE IN FUND BALANCES			
FUND BALANCE - BEGINNING	77,887	98,621	176,508
FUND BALANCE - ENDING	<u>\$ 99,696</u>	<u>\$ 85,293</u>	<u>\$ 184,989</u>

The accompanying notes are a part of these financial statements.

WORKMAN & COMPANY

Office of
Accounting

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

December 19, 2025

To the City Council
City of Gooding, 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Gooding, Idaho, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City of Gooding, Idaho's basic financial statements, and have issued our report thereon dated December 19, 2025.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Gooding, 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 Gooding, Idaho's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Gooding, 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 identify certain deficiencies in internal control that we consider to be material weaknesses and have described these in the accompanying schedule of findings and responses (2025-1).

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Gooding, 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*.

Report Continued—

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.

Workman & Company

WORKMAN AND COMPANY
Certified Public Accountants
Twin Falls, Idaho

CITY OF GOODING, IDAHO
Schedule of Findings and Responses
For the Year Ended September 30, 2025

2025-1 Preparation of Financial Statements (Material Weakness)

Criteria: A good system of internal accounting control contemplates an adequate system for recording and processing entries material to the financial statements, and the ability to internally prepare their financial statements.

Condition: The City does not have an internal control system designed to provide for the preparation of the financial statements being audited. The auditors were requested to, and did, draft the City's financial statements, and accompanying notes to the financial statements.

Cause: The City does not have an internal control system designed to provide for the preparation of the financial statements being audited.

Effect: The financial disclosures in the financial could be incomplete.

Recommendation: This circumstance is not unusual in a City of your size. It is the responsibility of management and those charged with governance to make the decision whether to accept the degree of risk associated with this condition because of cost or other considerations.

Views of Responsible Officials: The City agrees that having an internal control system over financial reporting is an important part of the City's overall internal control process. The City has performed a cost/benefit analysis of implementing these controls and concluded the resources were not in place to effectively implement the necessary changes for the year ended September 30, 2025.

SINGLE AUDIT SECTION

**CITY OF GOODING, IDAHO
GOODING COUNTY, IDAHO**

**Schedule of Expenditures of Federal Awards
for the year ended September 30, 2025**

Federal Grantor/Pass-through Grantor/Program Title	Catalog of Federal Domestic Assistance Number	Pass-through Entity Identifying Number	Expenditures During Audit Period	Totals
U.S. Department of Commerce:				
Community Development Block Grant	14.228		\$ <u>3,500</u>	
Total				\$ 3,500
Federal Aviation Administration:				
Airport Improvement Program	20.106		<u>64,049</u>	
Total				64,049
U.S. Department of Environmental Quality:				
ARPA Grant	21.027		<u>1,423,235</u>	
Total				1,423,235
U.S. Department of Agriculture:				
Water and Wastewater Disposal System for Rural Communities	10.760		<u>908,911</u>	
Total				<u>908,911</u>
Total All Programs				\$ <u><u>2,399,695</u></u>

**CITY OF GOODING, IDAHO
GOODING COUNTY, IDAHO**

**Schedule of Expenditures of Federal Awards
for the year ended September 30, 2025**

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Gooding, Idaho. The Information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City of Gooding, Idaho, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. No federal financial assistance has been provided to a subrecipient.

NOTE 3 - DE MINIMIS INDIRECT COST RATE

The City of Gooding, Idaho has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

The examination of the records of the City of Gooding, Idaho for the year ended September 30, 2024 revealed no areas of comments, findings or questioned costs.

SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS

The examination of the records of the City of Gooding, Idaho for the year ended September 30, 2025 revealed no areas of comments, findings or questioned costs.

CITY OF GOODING, IDAHO
Year Ended September 30, 2025
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section 1 – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:
Material weakness(es) identified? ☐ yes ☒ No
Significant deficiencies identified that are
not considered to be material weakness(es) ☐ yes ☒ None reported

Noncompliance material to financial statements
noted? ☐ yes ☒ No

Federal Awards

Internal control over major programs:
Material weakness(es) identified? ☐ yes ☒ No
Significant deficiencies identified that are
not considered to be material weakness(es) ☐ yes ☒ None reported

Type of auditor's report issued on compliance
for major programs: Unmodified

Any audit findings disclosed that are required
to be reported in accordance with Uniform
Guidance 2 CFR 200.516? ☐ yes ☒ No

Identification of major programs:

Federal CFDA Number

U.S. Department of Environmental Quality: ARPA Grant	21.027
U.S. Department of Agriculture: Water and Wastewater Disposal System Rural Communities	10.760
Dollar threshold used to distinguish between type A and type B programs:	\$ 1,000,000
Auditee qualified as low-risk auditee?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> no

Section II – Financial Statement Findings

No significant deficiencies, material weaknesses, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements were reported.

Section III – Federal Award Findings and Questioned Costs

No significant deficiencies, material weaknesses, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements were reported.

WORKMAN & COMPANY

Office of
Accounting

2190 Village Park Avenue, Suite 300 • Twin Falls, ID 83301 • 208.733.1161 • Fax: 208.733.6100

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

December 19, 2025

To the City Council
City of Gooding, Idaho
Gooding, Idaho

Report on Compliance for Each Major Federal Program

We have audited the City of Gooding, Idaho's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Gooding, Idaho's major federal programs for the year ended September 30, 2025. City of Gooding, Idaho's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Gooding, Idaho's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Gooding, Idaho's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Gooding, Idaho's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Gooding, Idaho, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2025.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance.

Report on Internal Control over Compliance

Management of the City of Gooding, Idaho, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Gooding, Idaho's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Gooding, Idaho's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Workman & Company

WORKMAN AND COMPANY
Certified Public Accountants
Twin Falls, Idaho