Lewiston City Council
SPECIAL MEETING AGENDA
February 26, 2024 - 4:00 PM
City Hall – Back Conference Room – 1134 F Street
Lewiston, Idaho 83501

Seating will be available on a first-come, first-served basis. All others who wish to observe this meeting may watch and listen to the livestream on their own device(s) by visiting the City of Lewiston's website at cityoflewiston.org.

I. **CALL TO ORDER**

II. **PLEDGE OF ALLEGIANCE**

III. **DISCUSSION ITEMS**

Please note that identifying an item as an "Action Item" does not require the City Council to vote on that item.

A. **2023 ANNUAL COMPREHENSIVE FINANCIAL REPORT:** Presentation from Presnell Gage on the 2023 Annual Comprehensive Financial Report - Action Item

IV. **ADJOURNMENT** - Action Item

The City of Lewiston is committed to providing access and reasonable accommodation in its services, programs, and activities and encourages qualified persons with disabilities to participate. If you anticipate needing any type of accommodation or have questions about the physical access provided at this meeting, please contact the City Clerk's Office at least forty-eight (48) hours in advance of the meeting at 208-746-3671, ext. 6202.

Independent Audit

- Confirms what you have seen throughout the year is accurate.
- The audit should not be presenting new information. It is information in a different format but is based upon the information that you have seen during the fiscal year.
- Evaluates the quality of the accounting records.

We have audited 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 City of Lewiston, Idaho for the year ended September 30, 2023.

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

Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Uniform Guidance*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter at the beginning our audit as well as during our communications with those charged with governance.

Auditor's Responsibilities for the Audit of the Financial Statements:

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 ability to continue as a going concern for a reasonable period-of-time.

Responsibilities of Management for the Financial Statements:

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, 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.

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by City of Lewiston, Idaho are described in Note 1 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during the year ended September 30, 2023. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Other Comments:

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the City of Lewiston, Idaho's financial statements were:

- Allowances for uncollectible accounts – primarily ambulance
- Accounts receivable in utilities
- Medical insurance fund – unpaid claims
- Workers compensation fund
- Net pension asset and liability
- Accounting for leases

Discussion Topics:

1. Auditor Report
    a. Unmodified Opinion on basic financial statements "Clean"
    b. Unmodified Opinion on major federal awards "Clean"
    c. "Clean" Report on internal control and compliance

2. Adjustments
    - Proposed adjustments –
        i. All journal entries were discussed with staff as they come up and journal entries were provided by City staff

    - Adjustments to conform to GAAP
        i. related to property classification
        ii. related to encumbrance accounting

    - Adjustments to format the statements for GASB 34 statements
    - Adjustments to account for GASB Statement No 68

3. Financial Statements
    - Governmental funds
        i. Carryover balance of all governmental funds $36,212,000, however only $13,982,000 is unassigned
        ii. Carryover balance of the general fund $20,854,000, however only 13,982,000 is unassigned
        iii. Cemetery Perpetual Care - Transferred $50,000 to cemetery

    - Proprietary funds
        i. Operating income in Water, Wastewater, and Sanitation
        ii. Operating income in fleet maintenance, but loss in health plan, and information systems

    - Outstanding debt
        i. Internal governmental loans:
            1. None
        ii. Business-type– funds drawn down as of 9/30/2023
            1. Water loan drawn down at 9/30/2023 - $39,029,705
            2. Total Water bond funds available is $42,000,000
            3. Wastewater loan drawn down as of 9/30/2024 - $29,181,000
            4. Total Wastewater bond funds available is $29,181,000
            5. First payment of $1,070,654 was paid in August 2023
        iii. Urban Renewal Agency – component unit
            1. Outstanding debt - $1,187,534

4. Discussion Points
    a. GFOA report and findings from the prior year

CITY OF LEWISTON

City Council – Work Session
Monday, February 26, 2024

INDEPENDENT AUDIT

- Audit firm and audit team members are required to be independent.
- Confirms what you've seen throughout the year is accurate.
- Should not present new information.
- Evaluates the quality of the accounting records.

INTRODUCTION OF AUDIT SCOPE

We have audited the accompanying financial statements of the City of Lewiston, Idaho, as of and for the year ended **September 30, 2023.**

- governmental activities,
- the business-type activities,
- the aggregate discretely presented component units,
- each major fund,
- and the aggregate remaining fund information

ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR)

The City's ACFR includes five sections:

- Introduction
- Financial Overview
- Financial Statements (combining & individual funds)
- Statistical Data
- Single Audit

FINANCIAL OVERVIEW

- Audit Opinion – Do the financial statements represent what really happened in the City's finances for the year?

- Unmodified Opinion "**Clean" for 2023**
  - Page 11

UNIFORM GUIDANCE

- Audit Opinion on Federal Grants
  - (Page 167-169) Did we note any significant instances where the City was not following certain Federal regulations? No
  - $750,000 of federal funds expended

<u>Unmodified "Clean" Report on Federal Grants</u>

GOVERNMENT AUDITING STANDARDS

- Report on Internal Accounting Controls and Compliance
  - (Page 165-166) Does the City have accounting procedures in place to account for City Funds?

- **<u>“Clean” Report on Internal Controls and Compliance</u>**

REQUIRED COMMUNICATION

- Professional standards require that we provide you with information about **our** responsibilities under generally accepted auditing standards and *Government Auditing Standards,* and Uniform Guidance, as well as certain information related to the planned scope and timing of our audit.

RESPONSIBILITIES
(REQUIRED COMMUNICATION)

AUDITORS

- The **Auditors** are responsible for conducting our audit in accordance with auditing standards generally accepted in the United States of America. Under these standards, it is the objective of our audit to obtain **reasonable**, **but not absolute**, assurance about whether the financial statements are free of material misstatements.

RESPONSIBILITIES
(REQUIRED COMMUNICATION)

AUDITORS

- Exercise professional judgement and professional skepticism
- Identify and access the risks of material misstatements
- Obtain an understanding of internal control
- Evaluate the appropriateness of accounting policies
- Conclude whether the City will continue as a going concern

RESPONSIBILITIES
(REQUIRED COMMUNICATION)

MANAGEMENT

- Management is responsible for the preparation and fair presentation of the financial statements.
- Design, implementation, and maintenance of internal controls
- Management is responsible for the selection and use of appropriate accounting policies.

ESTIMATES
(REQUIRED COMMUNICATION)

- Accounting estimates are an integral part of the financial statements.

- The most sensitive estimates affecting the City’s financial statements were:
  - ❖Allowances for uncollectible accounts – utilities and ambulance
  - ❖Useful lives of capital assets
  - ❖Medical insurance unpaid claims – IBNR from actuary
  - ❖Worker’s compensation fund
  - ❖Net pension asset/liabilities
  - ❖Accounting for leases

MISCELLANEOUS OVERVIEW ITEMS

- Management Discussion & Analysis (pages 14-32) (required supplemental information)

- Inclusion:
  - Airport additions - $3,337,710 – ½ to the City $1,668,855
  - URA – component unit – separate audit
  - City of Lewiston Employee Benefit Plan Trust – separate audit
  - Police Employee Retirement Plan – fiduciary fund

TERMS

Accrual Basis of Accounting – Recognizing economic events regardless of when cash transaction occur (record revenue when earned and expenses when incurred).

Modified Accrual Basis of Accounting – Combination of accrual and cash. Revenue is recorded when measurable and available and expenditures are recorded when the services or goods are received, and the liabilities incurred.

STATEMENT OF NET POSITION
& STATEMENT OF ACTIVITIES

Government Wide Financial Statements

- Statement of Net Position(page 34-35)
- Statement of Activities (page 36)

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CITY OF LEWISTON, IDAHO

STATEMENT OF NET POSITION

September 30, 2023

Cash & Investments = $76,821,706
Current = $60,303,383
Noncurrent = $16,518,323

Capital Assets (net) = $230,359,348
Gov = $107,885,828
Bus = $122,473,520

	Governmental Activities	Business-Type Activities	Total	Component Unit
ASSETS				
CURRENT ASSETS				
Cash	$ 16,470,093	$ 16,620,628	$ 33,090,721	$ 2,195,044
Investments	23,956,274	3,256,388	27,212,662	
Receivables				
Delinquent taxes	439,447		439,447	3,569
Accounts	1,690,954	2,468,243	4,159,197	
Intergovernmental	2,455,605		2,455,605	
Unbilled receivables		764,945	764,945	
Prepaid	9,195		9,195	
Inventory	211,713	58,830	270,543	
Total current assets	45,233,281	23,169,034	68,402,315	2,198,613
NONCURRENT ASSETS				
Restricted investments		16,518,323	16,518,323	628,519
Notes receivable	1,157,518		1,157,518	
Net pension asset	15,666,180		15,666,180	
Capital assets, net of accumulated depreciation				
Land	13,895,300	162,454	14,057,754	
Buildings and syst	25,418,879	44,014,043	69,432,922	
Equipment	6,521,495	1,903,196	8,424,691	
Infrastructure	33,609,533		33,609,533	
Infrastructure on modified method	21,855,016		21,855,016	
Construction in progress	6,585,605	76,393,827	82,979,432	
Total noncurrent assets	124,709,526	138,991,843	263,701,369	628,519
Total assets	169,942,807	162,160,877	332,103,684	2,827,132
DEFERRED OUTFLOWS OF RESOURCES				
Defined benefit pension	15,832,836	1,369,199	17,202,035	

CITY OF LEWISTON, IDAHO
STATEMENT OF NET POSITION
September 30, 2023

	Governmental Activities	Business-Type Activities	Total	Component Unit
LIABILITIES				
CURRENT LIABILITIES				
Vouchers payable	$ 1,206,771	$ 731,848	$ 1,938,619	$ 21,252
Claims payable	70,000		70,000	
Accrued salaries and benefits	1,023,253		1,023,253	
Accrued interest on bonds		861,494	861,494	
Compensated absences payable	185,168	28,260	213,428	
Due to other governments		65,786	65,786	
Current portion of bonds payable		1,789,300	1,789,300	115,223
Unearned revenue	1,462,702	20,875	1,483,577	
Total current liabilities	3,947,894	3,497,563	7,445,457	136,475
LONG-TERM OBLIGATIONS				
Bonds payable		65,530,129	65,530,129	1,072,311
Net pension liability	17,139,908	2,940,134	20,080,042	
Compensated absences payable	2,151,929	310,866	2,462,795	
Total long-term obligations	19,291,837	68,781,129	88,072,966	1,072,311
Total liabilities	23,239,731	72,278,692	95,518,423	1,208,786
DEFERRED INFLOWS OF RESOURCES				
Defined benefit pension	2,699,981	317,034	3,017,015	
NET POSITION				
Net investment in capital assets	107,885,828	55,154,091	163,039,919	
Restricted for:				
Bond covenants		1,000,000	1,000,000	
System expansion projects		1,975,362	1,975,362	628,519
Penson	15,666,180		15,666,180	
Permanently restricted for:				
Cemetery perpetual care - expendable	956,534		956,534	
Unrestricted	35,327,389	32,804,897	68,132,286	989,827
Total net position	$ 159,835,931	$ 90,934,350	$ 250,770,281	$ 1,618,346

Debt Detail: Pages 66-68

OUTSTANDING LONG-TERM DEBT

- Wastewater Loan – DEQ State Revolving Funds
  - Maximum funds available - $29,181,000
  - Drawn down at 9/30/2023 - $29,181,000
  - Closed in February 2023, first payment of $1,070,654 ($888,252 principal and $182,402 interest) was paid in August 2023

- Water Loan – DEQ State Revolving Funds
  - Maximum funds available – $42,000,000
  - Drawn down at 9/30/2023 - $39,029,705
  - Expected to close during fiscal year 2024

Page 66-68

OUTSTANDING LONG-TERM DEBT

- Urban Renewal - $1,187,534

  East Orchards – Original loan of $1,980,000

  - 2023 principal and interest payment was made

INTERFUND LOANS

- No interfund loans outstanding on September 30, 2023

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CITY OF LEWISTON, IDAHO
STATEMENT OF ACTIVITIES
Year Ended September 30, 2023

		Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	Component Unit
FUNCTIONS/PROGRAMS								
Governmental Activities								
General government	$ 2,628,358	$ 356,356	$ 35,261		$ (2,236,741)		$ (2,236,741)	
Police protection	7,511,311		609,238		(6,902,073)		(6,902,073)	
Fire protection	8,802,894	2,024,673	1,152,297		(5,625,924)		(5,625,924)	
Cemetery	186,671	46,770	1,690		(138,211)		(138,211)	
Community development	4,438,434	2,652,212		$ 499,734	(1,286,488)		(1,286,488)	
Transportation	9,416,136	84,089	3,400,874	477,934	(5,453,239)		(5,453,239)	
Recreation	1,677,153	460,979	80,360		(1,135,814)		(1,135,814)	
Library	1,589,862	28,208	23,317		(1,538,337)		(1,538,337)	
Service center	503,666				(503,666)		(503,666)	
Parks and facilities	2,622,546	51,429	558,611		(2,012,506)		(2,012,506)	
Total governmental activities	$ 39,377,031	$ 5,704,716	$ 5,861,648	$ 977,668	(26,832,999)		(26,832,999)	
Business-Type Activities								
Water	$ 6,297,139	$ 7,045,259				$ 748,120	748,120	
Sewer	5,731,919	11,286,467				5,554,548	5,554,548	
Sanitation	6,650,024	7,157,138				507,114	507,114	
Golf course	105,042					(105,042)	(105,042)	
Total business-type activities	$ 18,784,124	$ 25,488,864	$ 0	$ 0		6,704,740	6,704,740	
Component Unit								
Urban Renewal Agency	$ 166,545	$ 0	$ 0	$ 0				$ (166,545)
General revenues:								
Property taxes, levied for general purposes					23,969,292		23,969,292	1,628,417
State sales tax not restricted to specific programs					3,835,680		3,835,680	
Franchise taxes					912,337		912,337	
State liquor					736,848		736,848	
Interest and investment earnings					1,583,069	1,323,897	2,906,966	14,868
Other general revenues					3,450,774	222,477	3,673,251	
					34,488,000	1,546,374	36,034,374	1,643,285
Change in net position					7,655,001	8,251,114	15,906,115	1,476,740
Net position, beginning					152,180,930	82,683,236	234,864,166	141,606
Net position, ending					$ 159,835,931	$ 90,934,350	$ 250,770,281	$ 1,618,346

BALANCE SHEET – GOVERNMENTAL FUNDS

- City accounts for day-to-day activity
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CITY OF LEWISTON, IDAHO
BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2023

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Major Funds

	General	Transportation	Capital Projects	Economic Development	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash	$ 8,116,727	$ 598,602	$ 3,933,857	$ 348,554	$ 1,291,730	$ 14,289,470
Investments	12,759,261	457,621	2,956,184	4,058,042	1,064,829	21,295,937
Receivables						
Delinquent taxes	439,447					439,447
Accounts	1,384,785	235,262	6,423		64,484	1,690,954
Intergovernmental	1,251,397	175,078	654,935	93,987	276,320	2,451,717
Notes receivable				1,157,518		1,157,518
Inventory, at cost	3,437					3,437
Prepaids					9,195	9,195
Total assets	$ 23,955,054	$ 1,466,563	$ 7,551,399	$ 5,658,101	$ 2,706,558	$ 41,337,675
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Vouchers payable	$ 680,683	$ 155,931	$ 203,930	$ 46,751	$ 86,242	$ 1,173,537
Claims payable	70,000					70,000
Accrued salaries and benefits	1,023,253				60,053	1,083,306
Unrealized revenue				1,453,507	9,195	1,462,702
Total liabilities	1,773,936	155,931	203,930	1,500,258	155,490	3,789,545
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	1,326,859	8,795				1,335,654
Total deferred inflows of resources	1,326,859	8,795	0	0	0	1,335,654
FUND BALANCES						
Nonspendable for:						
Inventory	3,437					3,437
Committed for:						
Road and bridge		202,279				202,279
Drug enforcement	270,377					270,377
Economic development				1,157,518		1,157,518
Perpetual care					956,534	956,534
Assigned, reported in:						
Unemployment claims	146,694					146,694
Special revenue		1,099,558		3,000,325	1,594,534	5,694,417
Capital projects			7,347,469			7,347,469
Building reserve fund	6,451,393					6,451,393
Unassigned, reported in:						
General fund	13,982,358					13,982,358
Total fund balances	20,854,259	1,301,837	7,347,469	4,157,843	2,551,068	36,212,476
Total liabilities and fund balances	$ 23,955,054	$ 1,466,563	$ 7,551,399	$ 5,658,101	$ 2,706,558	$ 41,337,675

REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS

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CITY OF LEWISTON, IDAHO

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
Year Ended September 30, 2023

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Major Funds

	General	Transportation	Capital Projects	Economic Development	Other Governmental Funds	Total Governmental Funds
REVENUES						
Property taxes	$ 17,989,250	$ 2,314,519	$ 1,475,500		$ 1,879,000	$ 23,658,269
Licenses and permits	1,538,292	25,959				1,564,251
Intergovernmental revenues	5,299,663	1,000,042	1,945,589	$ 499,734	18,356	8,763,384
Charges for services	4,949,727	966,973	16,312		51,267	5,984,279
Earnings on investments	671,397	66,413	247,772	238,942	196,792	1,421,316
Other revenue	1,431,694	88,202	2,490,560	1,248,909	1,175,329	6,434,694
Total revenues	31,880,023	4,462,108	6,175,733	1,987,585	3,320,744	47,826,193
EXPENDITURES						
Current						
General government	4,007,845				172,208	4,180,053
Police protection	8,474,558					8,474,558
Fire protection and ambulance	9,660,440					9,660,440
Public works	10,212					10,212
Cemetery					189,565	189,565
Community development	1,662,903			2,668,340		4,331,243
Transportation		4,400,391	2,064,302			6,464,693
Recreation, parks, and facilities	3,886,867		2,667,088			6,553,955
Library			29,675		1,490,568	1,520,243
Public transportation					1,132,280	1,132,280
Golf	319,100					319,100
Capital outlay	1,477,193				46,193	1,523,386
Debt service						0
Total expenditures	29,499,118	4,400,391	4,761,065	2,668,340	3,030,814	44,359,728
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,380,905	61,717	1,414,668	(680,755)	289,930	3,466,465
FUND BALANCES AT BEGINNING OF YEAR	18,473,354	1,240,120	5,932,801	4,838,598	2,261,138	32,746,011
FUND BALANCES AT END OF YEAR	$ 20,854,259	$ 1,301,837	$ 7,347,469	$ 4,157,843	$ 2,551,068	$ 36,212,476

REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS

- Fund reserve balance and industry expectations.
  - Carryover balance of governmental funds $36,212,476
  - General fund carryover balance of $20,854,259 ($13,982,358 unassigned)

FINANCIAL STATEMENTS (COMBINING & INDIVIDUAL FUNDS)

- Nonmajor Governmental Funds
  - Balance Sheet (page 94)
  - Revenue, Expenditures, and Changes in Fund Balances (page 95)
  - Budget vs. Actual for nonmajor governmental funds (page 96 - 100)

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CITY OF LEWISTON, IDAHO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
NONMAJOR GOVERNMENTAL FUNDS
Year Ended September 30, 2023

	Special Revenue				Permanent Fund	
	Cemetery	Library	Public Transportation	Business Improvement District	Cemetery Perpetual Care	Total Nonmajor Governmental Funds
REVENUES						
Property taxes	$ 150,000	$ 1,375,500	$ 353,500			$ 1,879,000
Intergovernmental revenues		18,356				18,356
Charges for services	44,232	5,345			$ 1,690	51,267
Earnings (loss) on investments	14,479	34,827	24,091		123,395	196,792
Other	2,538	27,824	972,759	$ 172,208		1,175,329
Total revenues	211,249	1,461,852	1,350,350	172,208	125,085	3,320,744
EXPENDITURES						
Current						
General government				172,208		172,208
Cemetery	186,631				2,934	189,565
Library		1,490,568				1,490,568
Public transportation			1,132,280			1,132,280
Capital outlay			46,193			46,193
Total expenditures	186,631	1,490,568	1,178,473	172,208	2,934	3,030,814
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	24,618	(28,716)	171,877	0	122,151	289,930
OTHER FINANCING SOURCES (USES)						
Transfers in	50,000					50,000
Transfers out					(50,000)	(50,000)
Total other financing sources (uses)	50,000	0	0	0	(50,000)	0
NET CHANGE IN FUND BALANCES	74,618	(28,716)	171,877	0	72,151	289,930
FUND BALANCES AT BEGINNING OF YEAR	296,044	453,659	627,052	0	884,383	2,261,138
FUND BALANCES AT END OF YEAR	$ 370,662	$ 424,943	$ 798,929	$ 0	$ 956,534	$ 2,551,068

PROPRIETARY FUNDS

- Balance Sheet (page 41 – 42)
- Revenue, Expenses, and Changes in Fund Net Position. (page 43)

  Cash Flows (44 – 45)

CITY OF LEWISTON, IDAHO
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
September 30, 2023

	Business-Type Activities - Enterprise Funds					Governmental Activities
	Water	Wastewater	Sanitation	Golf	Totals	Internal Service Funds
ASSETS						
CURRENT ASSETS						
Cash	$ 5,020,911	$ 9,083,818	$ 2,515,899	$ 0	$ 16,620,628	$ 2,180,623
Investments		257,473	2,998,915		3,256,388	2,660,337
Receivables						
Accounts	913,399	977,381	577,463		2,468,243	
Intergovernmental					0	3,888
Unbilled receivables	462,478	253,188	49,279		764,945	
Inventory	58,830				58,830	208,276
Total current assets	6,455,618	10,571,860	6,141,556	0	23,169,034	5,053,124
NONCURRENT ASSETS						
Restricted investments	3,499,410	13,018,913			16,518,323	
Capital assets, net	59,410,804	62,493,257	569,459		122,473,520	4,427,173
Total noncurrent assets	62,910,214	75,512,170	569,459	0	138,991,843	4,427,173
Total assets	69,365,832	86,084,030	6,711,015	0	162,160,877	9,480,297
DEFERRED OUTFLOWS OF RESOURCES						
Defined benefit pension	612,342	632,987	123,870	0	1,369,199	318,900

CITY OF LEWISTON, IDAHO
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
September 30, 2023

	Business-Type Activities - Enterprise Funds					Governmental Activities
	Water	Wastewater	Sanitation	Golf	Totals	Internal Service Funds
LIABILITIES						
CURRENT LIABILITIES						
Vouchers payable	$ 449,360	$ 82,853	$ 199,635		$ 731,848	$ 33,234
Compensated absences payable	14,306	10,447	3,507		28,260	9,590
Accrued interest on bonds	815,503	45,991			861,494	
Due to other governments		65,786			65,786	
Current portion of advance from other City fund					0	
Current portion of bonds payable		1,789,300			1,789,300	
Unearned revenue	10,480	10,395			20,875	
Total current liabilities	1,289,649	2,004,772	203,142	$ 0	3,497,563	42,824
LONG-TERM OBLIGATIONS						
Bonds payable	39,029,705	26,500,424			65,530,129	
Net pension liability	1,319,794	1,361,622	258,718		2,940,134	683,100
Compensated absences payable	157,367	114,922	38,577		310,866	105,491
Total long-term obligations	40,506,866	27,976,968	297,295	0	68,781,129	788,591
Total liabilities	41,796,515	29,981,740	500,437	0	72,278,692	831,415
DEFERRED INFLOWS OF RESOURCES						
Defined benefit pension	125,113	164,178	27,743	0	317,034	62,200
NET POSITION						
Net investment in capital assets	20,381,099	34,203,533	569,459		55,154,091	4,427,173
Restricted for:						
Bond covenants		1,000,000			1,000,000	
System expansion projects	154,992	1,820,370			1,975,362	
Unrestricted	7,520,455	19,547,196	5,737,246		32,804,897	4,478,409
Total net position	28,056,546	56,571,099	6,306,705	0	90,934,350	8,905,582
Total liabilities and net position	$ 69,978,174	$ 86,717,017	$ 6,834,885	$ 0	$ 163,530,076	$ 9,799,197

CITY OF LEWISTON, IDAHO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION -
PROPRIETARY FUNDS
Year Ended September 30, 2023

	Business-Type Activities - Enterprise Funds					Governmental Activities
	Water	Wastewater	Sanitation	Golf	Totals	Internal Service Funds
OPERATING REVENUES						
Charges for sales and services	$ 6,994,936	$ 11,271,168	$ 7,157,138		$ 25,423,242	$ 3,751,549
Permits, fees, and customer installations	50,323	15,299			65,622	
Total operating revenues	7,045,259	11,286,467	7,157,138	$ 0	25,488,864	3,751,549
OPERATING EXPENSES						
Production and treatment	1,488,716	1,965,455			3,454,171	
Transmission and distribution	1,782,725				1,782,725	
Collection and transmission		873,500	6,185,843		7,059,343	
Transfer station			447,103		447,103	
Depreciation	1,117,618	1,304,962	20,891	17,753	2,461,224	678,447
Selling, general, and administrative	1,356,297	1,253,882		84,938	2,695,117	1,338,426
Garage services						1,088,475
Insurance						652,902
Total operating expenses	5,745,356	5,397,799	6,653,837	102,691	17,899,683	3,758,250
OPERATING INCOME (LOSS)	1,299,903	5,888,668	503,301	(102,691)	7,589,181	(6,701)
NONOPERATING REVENUES (EXPENSES)						
Interest revenue	326,889	800,683	194,617	1,708	1,323,897	159,748
Other	643,258	75,802	40,161	(507,736)	251,485	413,534
Interest expense	(557,467)	(353,635)		(2,347)	(913,449)	
Total nonoperating revenues (expenses)	412,680	522,850	234,778	(508,375)	661,933	573,282
NET INCOME (LOSS)	1,712,583	6,411,518	738,079	(611,066)	8,251,114	566,581
NET POSITION AT BEGINNING OF YEAR	26,343,963	50,159,581	5,568,626	611,066	82,683,236	8,339,001
NET POSITION AT END OF YEAR	$ 28,056,546	$ 56,571,099	$ 6,306,705	$ 0	$ 90,934,350	$ 8,905,582

FIDUCIARY FUNDS

- Net Position (page 107)
- Change in Net Position (page 108)

CITY OF LEWISTON, IDAHO
FIDUCIARY FUNDS
COMBINING STATEMENT OF NET POSITION
September 30, 2023

	Employee Retirement Plan	Employee Benefit Plan Trust	Totals
ASSETS			
Cash	$ 55,672	$ 1,179,180	$ 1,234,852
Investments		5,960,577	5,960,577
Idaho State Local Government Investment Pool			
Certificate of deposits			
Cash equivalents	3,093,613		3,093,613
U.S. Treasury obligations			
Corporate obligations	2,340,705		2,340,705
Foreign obligations	556,755		556,755
Domestic common stocks	1,691,542		1,691,542
Foreign stocks	127,277		127,277
Mutual funds - equities	4,893,762		4,893,762
Mutual funds - fixed income	0		
Mutual funds - balanced	0		
Accounts receivable		12,744	12,744
Prepaid expenses		80,219	80,219
Total assets	12,759,326	7,232,720	19,992,046
LIABILITIES			
Accounts payable		235,898	235,898
Health claims incurred but not reported (IBNR)		406,144	406,144
Contribution deficit reserve		320,589	320,589
Total liabilities	0	962,631	962,631
NET POSITION			
Restricted for pension	12,759,326		12,759,326
Restricted for medical benefits		6,270,089	6,270,089
Total net position	$ 12,759,326	$ 6,270,089	$ 19,029,415

CITY OF LEWISTON, IDAHO
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN NET POSITION
Year Ended September 30, 2023

	Employee Retirement Plan	Employee Benefit Plan Trust	Totals
ADDITIONS			
Contributions			
Employer contributions		$ 4,647,958	$ 4,647,958
Employee contributions		462,082	462,082
Retiree contributions		134,118	134,118
COBRA		10,431	10,431
Cafeteria Plan		205,673	205,673
Total contributions	$ 0	5,460,262	5,460,262
Other additions			
Rebates		27,064	27,064
Stop loss recovered		693,497	693,497
Total other additions		720,561	720,561
Investment earnings			
Interest and dividends	243,454	168,777	412,231
Net increase in fair value of investments	1,573,229	57,812	1,631,041
Investment expenses	(95,863)		(95,863)
Net investment income	1,720,820	226,589	1,947,409
Total additions	1,720,820	6,407,412	8,128,232
DEDUCTIONS			
Disbursed to beneficiaries	1,073,994	5,648,664	6,722,658
Change in IBNR		53,093	53,093
Administrative expenses		401,207	401,207
Amortization of contribution deficit reserve		320,589	320,589
Total deductions	1,073,994	6,423,553	7,497,547
Change in net position	646,826	(16,141)	630,685
NET POSITION AT BEGINNING OF YEAR	12,112,500	6,286,230	18,398,730
NET POSITION AT END OF YEAR	$ 12,759,326	$ 6,270,089	$ 19,029,415

INTERNAL SERVICE FUNDS

- Statement of Revenue, Expenses, and Change in Fund Equity (page 105)

CITY OF LEWISTON, IDAHO
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND EQUITY - GAAP BASIS
Year Ended September 30, 2023

	Fleet Maintenance	Workers Comp Trust	Information System	Totals
OPERATING REVENUES				
Charges for services	$ 1,971,990	$ 503,361	$ 1,276,198	$ 3,751,549
Total operating revenues	1,971,990	503,361	1,276,198	3,751,549
OPERATING EXPENSES				
Depreciation	644,301		34,146	678,447
Administration		30,840	670,110	700,950
Personnel services			637,476	637,476
Garage services	1,088,475			1,088,475
Retirement actuarial charges				
Health insurance		652,902		652,902
Total operating expenses	1,732,776	683,742	1,341,732	3,758,250
OPERATING INCOME (LOSS)	239,214	(180,381)	(65,534)	(6,701)
NONOPERATING REVENUES				
Interest earned	76,206	66,664	16,878	159,748
Other revenues	413,523		11	413,534
Total nonoperating revenues	489,729	66,664	16,889	573,282
NET INCOME (LOSS)	728,943	(113,717)	(48,645)	566,581
FUND EQUITY AT BEGINNING OF YEAR	5,697,181	2,224,476	417,344	8,339,001
FUND EQUITY AT END OF YEAR	$ 6,426,124	$ 2,110,759	$ 368,699	$ 8,905,582

OTHER FINANCIAL OVERVIEW

- Required Supplemental Information
  - Budget comparison schedules for major funds (page 83-85)
  - PERSI – Schedule of Pension Funding (page 86-87)
  - Police retirement funding data (pages 88-89)
  - Modified approach for infrastructure reporting (page 90)

CITY OF LEWISTON, IDAHO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - MODIFIED ACCRUAL BASIS
Year Ended September 30, 2023

	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
DEPARTMENT OF HOUSING & URBAN DEVELOPMENT				
Community Development Grant Program	14.218	B-20MW-16-0005	None	$ 278,360
Community Development Grant Program	14.218	B-20MC-16-0005	None	38,791
Community Development Grant Program	14.218	B-21MC-16-0005	None	108,228
Community Development Grant Program	14.218	B-22MC-16-0005	None	74,355
Total CDBG - Entitlement Grants Cluster				499,734
DEPARTMENT OF JUSTICE				
Bulletproof Vest Partnership Program	16.607		None	7,225
Public Safety Partnership and Community Policing (COPS)	16.710		None	29,240
				36,465
DEPARTMENT OF TRANSPORTATION				
Passed through the State of				
Idaho - Transportation Department				
Highway Planning and Construction	20.205	KN 20024, A96067	None	471,332
Total Highway Planning and Construction Cluster				471,332
Federal Transit Administration	20.507	ID90X190	None	252,296
Federal Transit Administration	20.507	ID90X197	None	223,473
Federal Transit Administration	20.507	ID90X197	None	74,487
Federal Transit Administration	20.507	ID90X168	None	10,895
Federal Transit Administration	20.507	ID90X212	None	275,626
Total Federal Transit Cluster			*	836,777
Passed through the State of				
Idaho - Transportation Department				
State and Community Highway Safety	20.600	SPT2310	None	65,058
National Priority Safety Programs	20.616		None	15,640
Total Highway Safety Cluster				80,698
TOTAL DEPARTMENT OF TRANSPORTATION				1,388,807
DEPARTMENT OF THE TREASURY				
Passed through the Idaho Office of the Governor				
Coronavirus State and Local Fiscal Recovery Funds	21.027		None	1,713,778
			*	1,713,778
IDAHO COMMISSION FOR LIBRARIES				
Passed through the Idaho Commission				
for Libraries				
Grants to State Library Program	45.310		None	3,095
				3,095
ENVIRONMENTAL PROTECTION AGENCY				
Passed through the State of				
Idaho - Department of Environmental Quality				
Capitalization Grants for Clean Water State Revolving Funds	66.458	WW2001	None	3,284,918
Total Clean Water State Revolving Fund (CWSRF) Cluster			*	3,284,918
Drinking Water Facility Planning Grant	66.468	DWG-221-2021-5	None	889
Emergency Demo High Reservoir	66.468	DW2326	None	225,000
Capitalization Grants for Drinking Water State Revolving Funds	66.468	DW2001	None	11,042,712
Total Drinking Water State Revolving Fund (DWSRF) Cluster				11,268,601
TOTAL ENVIRONMENTAL PROTECTION AGENCY				14,553,519
BALANCE FORWARD				18,195,398

CITY OF LEWISTON, IDAHO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - MODIFIED ACCRUAL BASIS
Year Ended September 30, 2023

	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
BALANCE FORWARD				$ 18,195,398
DEPARTMENT OF EDUCATION				
Passed through the Idaho Commission				
for Libraries				
Education Stabilization Fund	84.425		None	2,000
DEPARTMENT OF HEALTH & HUMAN SERVICES				
Passed through the State of				
Idaho - Office of Drug Policy				
Substance Abuse and Mental Health Services Partnership for Success Law Enforcement Grant	93.243		None	11,835
TOTAL DEPARTMENT OF HEALTH & HUMAN SERVICES				11,835
DEPARTMENT OF HOMELAND SECURITY				
Passed through the State of				
Idaho - Emergency Management				
COVID-19 Emergency Response Materials	97.036	DR-4534-ID-PW00124	None	3,008
Homeland Security Grant Program	97.067		None	52,670
TOTAL DEPARTMENT OF HOMELAND SECURITY				55,678
TOTAL EXPENDITURES OF FEDERAL AWARDS				$ 18,264,911

ADJUSTMENTS
(REQUIRED COMMUNICATION)

- **AJE -**
  - Miscellaneous adjustments from City staff
- **GASB AJE - conform to GAAP**
  - Capital asset classification
  - Encumbrance accounting
  - PERSI asset/liabilities

OTHER REQUIRED COMMUNICATION

- No disagreements with management with regard to accounting, reporting, or auditing matters.
- We did not become aware of any fraud or illegal acts during our audit process.

CONCLUSION

- "Clean" Audit Reports
- Special thanks to the City staff – especially the Finance Department