



AGENDA
City Council Meeting
City of Middleton, Idaho

Date: Wednesday June 2, 2021

Time: 5:30 p.m.

Location: **City Hall Council Chambers – 1103 W Main Street**

Call-to-order, roll call, Pledge of Allegiance, Invocation:

Action Item:

- A. Approve Agenda

Information Items:

- 1. N. Middleton Rd/Cornell St Roundabout construction and traffic control plan update. – Rachel Speer

Action Items:

- 1. Consent Agenda (items of routine administrative business)
 - a. Consider approving minutes for City Council May 19, 2021 regular meeting.
 - b. Consider ratifying May 21, 2021 payroll in the amount of \$109,931.02.
 - c. Consider approving accounts payable thru May 12, 2021 in the amount of \$161,462.68
- 2. Consider accepting the 2020 Audit Findings as presented by Zwygart John & Associates, PLLC – Jordan Zwygart
- 3. Consider adopting Ordinance 647: Bridger Creek Annexation: AN ORDINANCE OF THE CITY OF MIDDLETON, CANYON COUNTY, IDAHO, ANNEXING TO THE CITY OF MIDDLETON, IDAHO, CERTAIN REAL PROPERTY SITUATED IN THE UNINCORPORATED AREA OF CANYON COUNTY, IDAHO, AND CONTIGUOUS TO THE CORPORATE LIMITS OF THE CITY OF MIDDLETON, IDAHO; ESTABLISHING THE ZONING CLASSIFICATION OF SAID REAL PROPERTY TO R-3 (SINGLE-FAMILY RESIDENTIAL) AND COMPLETING A DEVELOPMENT AGREEMENT; DIRECTING THAT COPIES OF THIS ORDINANCE BE FILED AS PROVIDED BY LAW; AND PROVIDING AN EFFECTIVE DATE. – Becky Crofts
- 4. Consider approving Non-Aerial Fireworks vendor permit from Outlet Fireworks, LLC for dates 6/23/2021-7/05/2021. – Becky Crofts
- 5. Consider approving Sawtooth Lake Drive and Middleton Road Roundabout Plans and Specifications by Precision Engineering, LLC – Joel Grounds.
- 6. Consider approving purchase agreement from the Wetlands Group LLC in the amount of \$54,450.00 to purchase wetland credits necessary to construct the Sawtooth Roundabout. – Becky Crofts
- 7. Consider approving letter to LHTAC for construction of Phase II S. Cemetery Road and agreement to pay costs above the currently obligated project cost. – Becky Crofts

8. Consider instructing legal counsel to draft a complaint challenging the legality of the City of Star annexation of land within the City of Middleton Area of Impact. – Mayor Rule

Public Comments, Mayor and Council Comments, Adjourn

Posted by:


Jennica Reynolds, Deputy Clerk

Date: May 28, 2021, 5:00 p.m.

Please contact the City Clerk at (208) 585-3133 if you have special needs or require assistance.

**MIDDLETON CITY COUNCIL
MAY 19, 2021**

The Middleton City Council meeting on May 19, 2021 was called-to-order at 5:36 p.m. by Mayor Rule.

Roll Call: Mayor Rule, Council President Kiser, Council Members Huggins, Garner were present at beginning of meeting. Council Member O'Meara entered the meeting at 5:38 p.m.

Pledge of Allegiance, Invocation: Harison Reynolds

Action Items

A. Approve Agenda

Motion: Motion by Council President Kiser to approve the Agenda as posted May 14, 2021 at 5:00 p.m. Motion seconded by Council Member Garner and approved unanimously.

Action Items

Consent Agenda (items of routine administrative business)

- a. Consider approving minutes for City Council May 5, 2021 regular meeting.
- b. Consider approving accounts payable thru May 12, 2021 in the amount of \$323,004.68
- c. Consider approving FCO of Annexation/Rezone, Development Agreement and Preliminary Plat – Bridger Creek.
- d. Consider approving FCO of Annexation/Rezone and Development Agreement – LaFever

Mayor Rule called the items. Council President Kiser gave a summary of accounts payable payments. Nothing is out of the ordinary.

Motion: Motion by Council President Kiser approve Consent Agenda Items a, b, c, d. Motion seconded by Council Member Huggins and approved unanimously.

2. (Continuation from May 5th Meeting) Consider approving a Contribution Agreement with City of Middleton and Providence Properties, LLC for the Waterford Subdivision Intersection Improvements, and Bridge Improvements. – Roberta Stewart.

Mayor Rule called the item and City Planner Roberta Stewart explained the Contribution Agreement. This contract will not allow a long drawn-out process. Council Member Huggins also confirmed that the city still has leverage because no Certificates of Occupancy will be issued prior to the completion of the Bridge Improvements.

Motion: Motion by Council President Kiser to approve a Contribution Agreement with City of Middleton and Providence Properties, LLC for the Waterford Subdivision Intersection Improvements, and Bridge Improvements. Motion seconded by Council Member O'Meara and approved unanimously.

3. Consider approving annual (June 1, 2021-May 31, 2022) City Beer and Wine Licenses for:

- a. Jackson's Food Store Inc #22 (7 E Main St.)

-
- b. Jackson's Food Store Inc – Extra Mile #177 (802 E Main St.)
 - c. Chaparral Sports Bar and Grill (3 N Dewey Ave.)
 - d. The Vault 21 Club (21 N Dewey Ave.)
 - e. Casa Mexico (517 S. Middleton Rd.)
 - f. Tsai's Kitchen (7 S. Hawthorne)
 - g. Garbonzo's Pizza (250 E. Main St.)
 - h. Ridley's Family Markets (430 E. Main St.)

Mayor Rule called the item and City Administrator Becky Crofts explained these are the annual City Beer and Wine Licenses that are applied for and issued each year. (It was stated that Ridley's did not have the copy of their Canyon County License submitted to the City yet, however that was an error. It was Garbonzo's Pizza that was missing the Canyon County License.)

Motion: Motion by Council President Kiser to approve annual (June 1, 2021-May 31, 2022) City Beer and Wine Licenses for:

- a. Jackson's Food Store Inc #22 (7 E Main St.)
- b. Jackson's Food Store Inc – Extra Mile #177 (802 E Main St.)
- c. Chaparral Sports Bar and Grill (3 N Dewey Ave.)
- d. The Vault 21 Club (21 N Dewey Ave.)
- e. Casa Mexico (517 S. Middleton Rd.)
- f. Tsai's Kitchen (7 S. Hawthorne)
- g. Garbonzo's Pizza (250 E. Main St.)
- h. Ridley's Family Markets (430 E. Main St.)

pending that all the applications and required paperwork are submitted. Motion seconded by Council Member Garner and approved unanimously.

4. Consider approving Non-Aerial Fireworks vendor permit from Phantom Fireworks Easter Region, LLC for dates 6/20/2021-7/04/2021. – Becky Crofts

Mayor Rule called item and City Administrator Becky Crofts presented the application. It has been reviewed by the Middleton Rural Fire District and Deputy Chief Islas submitted his comments and approval.

Motion: Motion by Council President Kiser to approve Consider approving Non-Aerial Fireworks vendor permit from Phantom Fireworks Easter Region, LLC for dates 6/20/2021-7/04/2021. Motion seconded by Council Member Huggins and approved unanimously.

5. Consider approving Memorandum of Understanding between the Star Sewer and Water District and the City of Middleton. – Becky Crofts

Mayor Rule called the item and City Administrator Becky Crofts explained that this Memorandum of Understanding if approved by City Council will be presented to the Star Sewer and Water District at their next board meeting. She said there is a concern when the properties that are inside the Middleton Area of Impact are being annexed into City of Star and Star Sewer and Water District. City Attorney Mark Hilty said that Impact Areas are important, and both the City of Star and the Star Sewer and Water District are developing in the Middleton Impact Area. This MOU allows for annexation/pre-annexation agreements to be entered in to. Becky said the City of Star has a very different planning concept and allows for R-4 and R-5 which is much higher density. This MOU is a tool for the City which keeps

the application with Middleton rather than going to Star. She said that part of this MOU will allow the City of Middleton and the District to work together in planning the areas that are impacted. Mayor Rule said that the question is which utility can serve the best. If the City has an agreement in place, the City can do just as well. He wants to make sure it is known, on the record, Star Sewer and Water is separate from City of Star. They are like an irrigation district, not the City of Star.

Motion: Motion by Council President Kiser to approve Memorandum of Understanding between the Star Sewer and Water District and the City of Middleton. Motion seconded by Council Member Garner and approved unanimously.

6. Consider approving Scope of Work from SPF Water in an amount not to exceed \$_____ to update Water Master Plan. – Becky Crofts

Mayor Rule called the item and City Administrator Becky Crofts asked that this be tabled to another meeting.

Motion: Motion by Council President Kiser to table Consider approving Scope of Work from SPF Water in an amount not to exceed \$_____ to update Water Master Plan to the next meeting of June 2, 2021. Motion seconded by Council Member Huggins and approved unanimously.

Information Items:

1. Foundation for Ada/Canyon Trail Systems, Inc – FACTS – Gary Payne

Mayor Rule called the item and introduced Gary Payne. Gary gave a brief presentation of what his organization does. They work to expand pedestrian, bicycle and equestrian trails.

2. South Cemetery Road project update – Rachel Speer

3. North Middleton Rd and Cornell Street Roundabout – Rachel Speer

Mayor Rule called the items and City Staff Engineer Rachel Speer gave a project update on both projects.

4. Piccadilly Park Re-use Tank update – Bruce Bayne

Mayor Rule called the item and gave the update on the project.

5. Response to resident correspondence – Becky Crofts

Mayor Rule called the item and City Administrator stated that on May 12, 2021 the City received a letter from Don and Ruth Volquert at 24331 Cowboy Lane, Middleton ID. They are unable to come to the council meetings so asked that these issues be addressed at a council meeting. (See Exhibit 1)

First Item: Traffic on Hartley/Willis and SH44.

- Intersection control is being planned at SH44 and Hartley. The delay is largely due to the 30 inch sewer trunkline needing to be put in place first. The reason this was missed for this year is because the city put this out to bid and Idaho Power said there was additional right of way required. The city is securing the additional right of way so that project can move forward. It will go out to bid probably August or September

for construction once the water leaves the ditch there. Construction will take place December – March time frame. Once that project is in place then the City can move forward with the intersection control at Hartley and SH44. The city also has some intersection control planned for Willis Road that is in process and could be started as early as next spring. Those things are in place, probably a little slower than residents would prefer, but these are very expensive projects at about 1 million dollars each. For the record the City brings in in property tax revenue about 2.7 million dollars each year. It takes a little while to save and build for these projects going forward.

Second Item: The building and water supply

- The City completed a Water Master Plan and based on the planning done and the forecasting the City looks forward to there are no issues with water supply for the residential development that is currently being approved.

Third Item: Enforcement of builder's construction trash.

- The City Building Official is actively working with the builders to make sure their sites are cleaned up.

Last Item: Against the Rezone of Tax parcel 34443013

- This parcel is located at the corner of Hartley and Willis and Planning and Zoning did recommend for denial the rezone for that parcel at its meeting on May 10, 2021. We don't know now if the applicant will bring it forward to City Council.

Council President Kiser noted this letter is from a resident who lives in Canyon County, upset with the City who doesn't pay taxes to the City who is upset about what the City is doing. He is happy to annex them in to give them a voice. He understands the concerns because he drives those roads and area around the High School, but until they become part of Middleton City and pay taxes to the City they do not have a voice.

Mayor Rule asked for public comment prior to going into Executive Session.

Public Comment:

Mike Graefe: He asked about the petition for Drink by the Glass, is there a status, does anyone know what is going on with it? His personal opinion is that it would be very beneficial source of tax revenue for the City.

- Mayor Rule: You won't see a lot from the City as we are advised by legal counsel to not get involved at all. He can comment and say he is aware of 3 or 4 petitions around that are active. He doesn't know the numbers, and he hasn't heard a lot of public objections to it. There is a date that is coming up quickly if they would like to get on the November election.

Elaine Mathiasen: She would like the Trolley Station to be able to be used for Library Storytime. Previously Story Time has been held outside but do to parent complaints it has been moved inside and staff has to move furniture to accommodate the activities. The current space is overcrowded, and because there are so many children that want to attend and because staff schedules are varied, the library is now holding story time 2 times a week. Trolley Station stands empty most of the time, she would like the City Council to allow the Library. She doesn't believe that using the Community Center for Library Storytime is a good idea when there is already a City owned building so close. It would make it more difficult for parents to use the library resources if the Storytime is not close to the library. She believes that it is important to support

the Library and the good work that is done at the Library. She would like the Trolley to be able to use it for all their Summer Reading programs She would like this item to be brought up on a future agenda to be voted on.

Council President Kiser: Said if Storytime is held Tuesday mornings and Wednesday afternoons, these are preschool children, he asked if she knows the numbers of those who attend.

Jim Taylor: He is on the Library board and his the last he heard there were 45 children and 26 adults that attended Storytime on Tuesdays in April. He doesn't have the current numbers for Wednesday because they hadn't added that day. He believes it would be a help to allow the use in the Trolley Station for the Library Storytime.

Executive Session:

1. Executive Session pursuant to Idaho Code and possible decision(s) to follow: 74-206(1)(f) Potential or pending litigation

Motion: Motion by Council President Kiser to move into Executive Session pursuant to Idaho Code and possible decision(s) to follow: 74-206(1)(f) Potential or pending litigation. Motion seconded by Council Member Garner and approved unanimously by Roll Call Vote.

At 6:55 p.m. the recording was turned off and Council entered the Executive Session in which items were discussed, information was exchanged, no decisions were made.

At 7:38 p.m. the recording resumed.

Mayor Comments, Council Comments:

Council Member Kiser: The High School is hosting the 3A, 2A and 1A State Track Meet this weekend so there will be a bunch of people in the community. And with the restrictions lifted anyone can come in and watch. The High School is expecting about 3,000 participants, that is not including fans, that is just kids on the track. It will be a busy two days.

Mayor Rule: The Middleton High School Boys Golf Team got second in the State Golf Competition. So congratulations to the boys team.

Budget Workshop: FY 2022 – Wendy Miles

City Treasurer Wendy Miles and City Administrator Becky Crofts discussed with council proposed capital projects for Transportation, Water, Wastewater (sewer and collections) and Parks. Information only.

Adjourn: Mayor Rule adjourned the city council meeting at 9:15 p.m.

ATTEST:

Steven J. Rule, Mayor

Jennica, Deputy Clerk
Minutes Approved: May 19, 2021

CITY OF MIDDLETON, IDAHO

Report on Audited
Basic
Financial Statements
and
Supplemental Information

For the Year Ended September 30, 2020

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ZWYGART JOHN

CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report

Honorable Mayor
and City Council
City of Middleton, Idaho

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, schedule of the City's proportionate share of the net pension liability, and schedule of City contributions on pages 34 through 39 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America required 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 the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 23, 2021, on our consideration of the City of Middleton, Idaho's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Middleton, Idaho's internal control over financial reporting and compliance.

Zwysart John & Associates, CPAs, PLLC

Nampa, Idaho
April 23, 2021

City of Middleton, Idaho
Statement of Net Position
September 30, 2020

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Middleton Urban Renewal Agency
Assets				
Current Assets:				
Cash and Cash Equivalents	\$ 3,811,797	\$ 4,728,455	\$ 8,540,252	\$ 300,351
Property Taxes Receivable, Net	30,840	-	30,840	129,132
Accounts Receivable, Net	24,585	275,191	299,776	-
Prepaid Items	-	-	-	-
Due from Other Governments	96,971	-	96,971	-
Interest Receivable	69	551	620	-
Noncurrent Assets:				
Restricted Cash	-	224,991	224,991	-
Capital Assets:				
Land and Construction in Progress	1,845,662	3,699,867	5,545,529	-
Buildings and Improvements, Net	7,337,092	14,152,330	21,489,422	-
Equipment, Net	660,430	744,844	1,405,274	-
Total Capital Assets	9,843,184	18,597,041	28,440,225	-
Total Assets	13,807,446	23,826,229	37,633,675	429,483
Deferred Outflows				
Pension Related Items	247,239	132,176	379,415	-
Total Deferred Outflows	247,239	132,176	379,415	-
Liabilities				
Current Liabilities:				
Accounts Payable	201,372	173,229	374,601	2,298
Related Party Payable	-	-	-	-
Salaries and Benefits Payable	51,325	16,986	68,311	-
Customer Deposits	-	49,118	49,118	-
Accrued Interest Payable	8,957	1,231	10,188	13,513
Long-term Liabilities:				
Portion Due or Payable Within One Year:				
Bond Payable	-	74,110	74,110	11,895
Lease Payable	108,518	16,291	124,809	-
Compensated Absences	30,884	16,338	47,222	-
Portion Due or Payable After One Year:				
Bond Payable	-	2,259,783	2,259,783	330,776
Lease Payable	130,200	43,885	174,085	-
Net Pension Liability	770,957	419,375	1,190,332	-
Total Liabilities	1,302,213	3,070,346	4,372,559	358,482
Deferred Inflows				
Pension Related Items	25,783	13,083	38,866	-
Unavailable Property Tax Revenue	-	-	-	128,308
Total Deferred Inflows	25,783	13,083	38,866	128,308
Net Position				
Invested in Capital Assets, Net of Related Debt	9,843,184	16,263,148	26,106,332	-
Restricted for:				
Debt Reserve	-	144,332	144,332	-
Streets & Alleys	1,391,266	-	1,391,266	-
Other	637,373	-	637,373	-
Unrestricted (Deficit) Surplus	854,866	4,467,496	5,322,362	(57,307)
Total Net Position	\$ 12,726,689	\$ 20,874,976	\$ 33,601,665	\$ (57,307)

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

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

					Net (Expense) Revenue and Changes in Net Position			
Program Revenues					Primary Government			Component Unit
Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total		
Primary Government:								
Governmental Activities:								
Administrative	\$ 887,819	\$ 1,827,882	\$ 9,383	\$ -	\$ 949,446	\$ -	\$ 949,446	
Streets & Alleys	866,417	45,432	-	139,933	(681,052)	-	(681,052)	
Public Safety	1,601,769	-	-	-	(1,601,769)	-	(1,601,769)	
Culture and Recreation	663,948	5,090	-	-	(658,858)	-	(658,858)	
Total Governmental Activities	4,019,953	1,878,404	9,383	139,933	(1,992,233)	-	(1,992,233)	
Business-type Activities:								
Garbage	670,996.0	714,108.0	-	-	-	43,112	43,112	
Water	899,681.0	1,493,259.0	-	-	-	593,578	593,578	
Sewer	1,853,480.0	3,055,918.0	-	-	-	1,202,438	1,202,438	
Storm Drain	25,131.0	64,339.0	-	-	-	39,208	39,208	
Total Business-type Activities	3,449,288	5,327,624	-	-	-	1,878,336	1,878,336	
Total Primary Government	\$ 7,469,241	\$ 7,206,028	\$ 9,383	\$ 139,933	(1,992,233)	1,878,336	(113,897)	
Component Unit:								
Middleton Urban Renewal Agency								
	<u>\$ 48,257</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>				<u>\$ (48,257)</u>
General Revenues:								
Property Taxes					2,295,261	-	2,295,261	123,891
State Sources					1,112,571	-	1,112,571	-
Franchise Fees					92,085	-	92,085	-
Developer Participation					-	306,998	306,998	-
Other					184,485	23,635	208,120	-
Unrestricted Investment Earnings					21,273	26,984	48,257	390
Gain (Loss) on Sale of Assets					(11,390)	(52,522)	(63,912)	-
Transfer between Governmental Funds and Business Type Activities					(616,089)	616,089	-	-
Disposal of Capital Assets					-	-	-	-
Total General Revenues and Special Items					3,078,196	921,184	3,999,380	124,281
Change in Net Position					1,085,963	2,799,520	3,885,483	76,024
Net Position, Beginning of Year					11,640,726	18,075,456	29,716,182	(133,331)
Net Position, End of Year					\$ 12,726,689	\$ 20,874,976	\$ 33,601,665	\$ (57,307)

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

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

	General	Streets & Alleys	Impact Fees
Assets			
Cash and Cash Equivalents	\$ 1,581,591	\$ 1,482,349	\$ 637,373
Receivables, Net:			
Property Tax	18,266	12,574	-
Accounts	5,122	19,463	-
Interest	69	-	-
Prepaid Items	-	-	-
Due from Other Governments	96,971	-	-
Total Assets	<u>\$ 1,702,019</u>	<u>\$ 1,514,386</u>	<u>\$ 637,373</u>
Liabilities			
Accounts Payable	\$ 94,137	\$ 106,256	\$ -
Salaries and Benefits Payable	40,026	5,908	-
Total Liabilities	<u>134,163</u>	<u>112,164</u>	<u>-</u>
Deferred Inflows			
Unavailable Revenue - Property Taxes	<u>16,004</u>	<u>10,956</u>	<u>-</u>
Fund Balances			
Nonspendable:			
Prepays	-	-	-
Restricted	-	1,391,266	637,373
Unassigned	1,551,852	-	-
Total Fund Balances	<u>1,551,852</u>	<u>1,391,266</u>	<u>637,373</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 1,702,019</u>	<u>\$ 1,514,386</u>	<u>\$ 637,373</u>

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

City of Middleton, Idaho
Balance Sheet -
Governmental Funds (continued)
September 30, 2020

	Capital Project Fund	Non-major Library	Total Governmental
Assets			
Cash and Cash Equivalents	\$ -	\$ 110,484	\$ 3,811,797
Receivables, Net:			
Property Tax	-	-	30,840
Accounts	-	-	24,585
Interest	-	-	69
Prepaid Items	-	-	-
Due from Other Governments	-	-	96,971
Total Assets	<u>\$ -</u>	<u>\$ 110,484</u>	<u>\$ 3,964,262</u>
Liabilities			
Accounts Payable	\$ -	\$ 979	\$ 201,372
Salaries and Benefits Payable	-	5,391	51,325
Total Liabilities	<u>-</u>	<u>6,370</u>	<u>252,697</u>
Deferred Inflows			
Unavailable Revenue - Property Taxes	<u>-</u>	<u>-</u>	<u>26,960</u>
Fund Balances			
Nonspendable:			
Prepays	-	-	-
Restricted	-	104,114	2,132,753
Unassigned	<u>-</u>	<u>-</u>	<u>1,551,852</u>
Total Fund Balances	<u>-</u>	<u>104,114</u>	<u>3,684,605</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ -</u>	<u>\$ 110,484</u>	<u>\$ 3,964,262</u>

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

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

Total Fund Balances - Governmental Funds \$ 3,684,605

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

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

Land and Construction in Progress	\$ 1,845,662	
Buildings and Improvements, Net of \$2,999,134 Accum. Depr.	7,337,092	
Equipment, Net of \$1,205,699 Accumulated Depreciation	<u>660,430</u>	
		9,843,184

Property taxes receivable will be collected this year, but are not available soon enough to pay for current period expenditures and, therefore, are deferred in the funds. 26,960

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

Compensated Absences	\$ (30,884)	
Accrued Interest	(8,957)	
Municipal Lease	<u>(238,718)</u>	
		(278,559)

The City participates in the Public Employer Retirement System of Idaho, which is a cost-sharing plan. As a participant they are required to report their share of the Net Pension Liability and the related deferred inflows and outflows on their Statement of Net Position.

Net Pension Liability	\$ (770,957)	
Pension Related Deferred Inflows	(25,783)	
Pension Related Deferred Outflows	<u>247,239</u>	
		<u>(549,501)</u>

Net Position of Governmental Activities \$ 12,726,689

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

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

	General	Streets & Alleys	Impact Fees
Revenues			
Property Taxes	\$ 859,859	\$ 1,048,427	\$ -
Intergovernmental	584,182	528,389	-
Grants and Contributions	-	139,933	-
Charges for Services	1,020,487	45,432	899,480
Interest Earned	21,419	(362)	-
Other	168,054	16,307	-
Total Revenues	<u>2,654,001</u>	<u>1,778,126</u>	<u>899,480</u>
Expenditures			
Current:			
Administrative	809,937	-	-
Streets & Alleys	-	796,451	-
Public Safety	381,110	-	-
Police	1,085,836	-	-
Culture and Recreation	145,664	-	-
Capital Outlay	413,420	701,875	-
Total Expenditures	<u>2,835,967</u>	<u>1,498,326</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures)	<u>(181,966)</u>	<u>279,800</u>	<u>899,480</u>
Other Financing Sources (Uses)			
Proceeds From Lease	237,521	-	-
Transfer In	454,699	383,440	-
Transfer Out	-	(64,733)	(361,405)
Total Other Financing Sources (Uses)	<u>692,220</u>	<u>318,707</u>	<u>(361,405)</u>
Net Change in Fund Balances	510,254	598,507	538,075
Fund Balances - Beginning	1,041,598	792,759	99,298
Fund Balances - Ending	<u>\$ 1,551,852</u>	<u>\$ 1,391,266</u>	<u>\$ 637,373</u>

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

City of Middleton, Idaho
Statement of Revenues, Expenditures, and
Changes in Fund Balances -
Governmental Funds (continued)
For the Year Ended September 30, 2020

	Capital Project Fund	Non-major Library	Total Governmental
Revenues			
Property Taxes	\$ -	\$ 383,000	\$ 2,291,286
Intergovernmental	-	-	1,112,571
Grants and Contributions	-	9,383	149,316
Charges for Services	-	5,090	1,970,489
Interest Earned	-	216	21,273
Other	-	124	184,485
Total Revenues	-	397,813	5,729,420
Expenditures			
Current:			
Administrative	-	5,747	815,684
Streets & Alleys	-	-	796,451
Public Safety	-	-	381,110
Police	-	-	1,085,836
Culture and Recreation	-	334,784	480,448
Capital Outlay	-	-	1,115,295
Total Expenditures	-	340,531	4,674,824
Excess (Deficiency) of Revenues Over Expenditures)	-	57,282	1,054,596
Other Financing Sources (Uses)			
Proceeds From Lease	-	-	237,521
Transfer In	-	-	838,139
Transfer Out	(1,016,604)	(11,486)	(1,454,228)
Total Other Financing Sources (Uses)	(1,016,604)	(11,486)	(378,568)
Net Change in Fund Balances	(1,016,604)	45,796	676,028
Fund Balances - Beginning	1,016,604	58,318	3,008,577
Fund Balances - Ending	\$ -	\$ 104,114	\$ 3,684,605

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

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

Total Net Change in Fund Balance - Governmental Funds	\$	676,028
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Amounts reported for governmental activities in the Statement of Activities are different because of the following:

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

Capital Outlay	\$ 1,351,637	
Sale of Assets	(11,390)	
Depreciation	<u>(597,618)</u>	
		742,629

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

3,975

Some capital additions were financed through municipal leases payable. In governmental funds, a municipal lease payable arrangement is considered a source of financing, but in the statement of Net Position, the municipal lease obligation is reported as a liability.

(237,521)

The repayment of the principal of a municipal lease consumes the current financial resources of governmental funds. The repayment of the principal, however, has no effect on Net Position.

114,093

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

(5,667)

Accrued interest on long-term debt reported in the Statement of Activities does not require the use of current financial resources and, therefore, is not reported as an expenditure in governmental funds. This amount represents the net change in accrued interest.

(5,260)

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

(202,314)

Change in Net Position of Governmental Activities	\$	<u><u>1,085,963</u></u>
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The accompanying notes are an integral
part of the financial statements.

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

	Garbage	Water	Sewer	Non-major Storm Drain	Total
Assets					
Current Assets:					
Cash and Cash Equivalents	\$ 72,671	\$ 1,928,021	\$ 2,666,946	\$ 60,817	\$ 4,728,455
Accounts Receivable, Net	51,395	66,521	157,275	-	275,191
Interest Receivable	-	238	313	-	551
Prepaid Items	-	-	-	-	-
Total Current Assets	124,066	1,994,780	2,824,534	60,817	5,004,197
Noncurrent Assets:					
Restricted Cash	-	80,659	144,332	-	224,991
Capital Assets:					
Land and Construction in Progress	-	1,579,990	2,119,877	-	3,699,867
Buildings and Improvements, Net	-	2,997,417	11,154,913	-	14,152,330
Equipment, Net	-	428,747	316,097	-	744,844
Total Noncurrent Assets	-	5,086,813	13,735,219	-	18,822,032
Total Assets	124,066	7,081,593	16,559,753	60,817	23,826,229
Deferred Outflows					
Pension Related Items	-	70,217	61,959	-	132,176
Total Deferred Outflows	-	70,217	61,959	-	132,176
Liabilities					
Current Liabilities:					
Accounts Payable	46,541	67,376	59,157	155	173,229
Salaries and Benefits Payable	-	7,816	9,170	-	16,986
Customer Deposits	-	49,118	-	-	49,118
Compensated Absences	-	6,645	9,693	-	16,338
Accrued Interest Payable	-	-	1,231	-	1,231
Bonds, Notes, and Loans Payable	-	-	74,110	-	74,110
Lease Payable	-	8,145	8,146	-	16,291
Total Current Liabilities	46,541	139,100	161,507	155	347,303
Noncurrent Liabilities:					
Bonds, Notes, and Loans Payable	-	-	2,259,783	-	2,259,783
Net Pension Liability	-	218,324	201,051	-	419,375
Lease Payable	-	21,943	21,942	-	43,885
Total Noncurrent Liabilities	-	240,267	2,482,776	-	2,723,043
Total Liabilities	46,541	379,367	2,644,283	155	3,070,346
Deferred Inflows					
Pension Related Items	-	9,069	4,014	-	13,083
Total Deferred Inflows	-	9,069	4,014	-	13,083
Net Position					
Invested in Capital Assets, Net of Related Debt	-	5,006,154	11,256,994	-	16,263,148
Restricted - Debt Reserve	-	-	144,332	-	144,332
Unrestricted	77,525	1,757,220	2,572,089	60,662	4,467,496
Total Net Position	\$ 77,525	\$ 6,763,374	\$ 13,973,415	\$ 60,662	\$ 20,874,976

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

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

	Garbage	Water	Sewer	Non-major Storm Drain	Total
Operating Revenues					
Charges for Services	\$ 714,108	\$ 1,482,314	\$ 3,055,918	\$ 64,339	\$ 5,316,679
Rent	-	10,945	-	-	10,945
Miscellaneous	-	1,526	22,109	-	23,635
Total Operating Revenues	<u>714,108</u>	<u>1,494,785</u>	<u>3,078,027</u>	<u>64,339</u>	<u>5,351,259</u>
Operating Expenses					
Salaries	-	212,134	277,985	-	490,119
Benefits	-	160,742	182,858	-	343,600
Supplies	558	6,399	6,937	-	13,894
Professional Services	669,903	163,482	215,597	25,131	1,074,113
Utilities	(86)	59,173	65,728	-	124,815
Miscellaneous	621	32,063	89,631	-	122,315
Repairs and Maintenance	-	98,240	361,346	-	459,586
Depreciation	-	167,448	576,739	-	744,187
Total Operating Expenses	<u>670,996</u>	<u>899,681</u>	<u>1,776,821</u>	<u>25,131</u>	<u>3,372,629</u>
Income (Loss) From Operations	<u>43,112</u>	<u>595,104</u>	<u>1,301,206</u>	<u>39,208</u>	<u>1,978,630</u>
Nonoperating Revenues (Expenses)					
Interest Earned	327	10,360	16,297	-	26,984
Interest Expense	-	-	(76,659)	-	(76,659)
Disposal of Capital Assets	-	(26,045)	(26,477)	-	(52,522)
Developer Participation	-	306,998	-	-	306,998
Transfers In	-	338,016	524,588	-	862,604
Transfers	(26,987)	(109,764)	(109,764)	-	(246,515)
Total Nonoperating Revenues (Expenses)	<u>(26,660)</u>	<u>519,565</u>	<u>327,985</u>	<u>-</u>	<u>820,890</u>
Change in Net Position	<u>16,452</u>	<u>1,114,669</u>	<u>1,629,191</u>	<u>39,208</u>	<u>2,799,520</u>
Total Net Position - Beginning	<u>61,073</u>	<u>5,648,705</u>	<u>12,344,224</u>	<u>21,454</u>	<u>18,075,456</u>
Total Net Position - Ending	<u>\$ 77,525</u>	<u>\$ 6,763,374</u>	<u>\$ 13,973,415</u>	<u>\$ 60,662</u>	<u>\$ 20,874,976</u>

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

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

	Garbage	Water	Sewer	Non-major Storm Drain	Total
Cash Flows From Operating Activities					
Receipts from Customers	\$ 723,202	\$ 1,489,030	\$ 3,067,696	\$ 64,339	\$ 5,344,267
Payments to Suppliers	(682,443)	(325,001)	(712,349)	(24,976)	(1,744,769)
Payments to Employees	-	(314,691)	(403,598)	-	(718,289)
Net Cash Provided (Used) by Operating Activities	40,759	849,338	1,951,749	39,363	2,881,209
Cash Flows From Noncapital Financing Activities					
Net Cash Transfer In (Out)	(26,987)	228,252	414,824	-	616,089
Net Cash Provided by Developer Participation Fees	-	306,998	-	-	306,998
Net Cash Provided (Used) by Noncapital Financing Activities	(26,987)	535,250	414,824	-	923,087
Cash Flows From Capital and Related Financing Activities					
Purchases and Construction of Capital Assets	-	(769,585)	(465,443)	-	(1,235,028)
Principal Paid on Capital Debt	-	(7,803)	(332,524)	-	(340,327)
Interest Paid on Capital Debt	-	-	(78,846)	-	(78,846)
Net Cash Used by Capital and Related Financing Activities	-	(777,388)	(876,813)	-	(1,654,201)
Cash Flows From Investing Activities					
Interest and Dividends	327	11,168	16,207	-	27,702
Net Cash Provided (Used) by Investing Activities	327	11,168	16,207	-	27,702
Net Increase (Decrease) in Cash and Cash Equivalents	14,099	618,368	1,505,967	39,363	2,177,797
Cash and Cash Equivalents - Beginning	58,572	1,390,312	1,305,311	21,454	2,775,649
Cash and Cash Equivalents - Ending	<u>\$ 72,671</u>	<u>\$ 2,008,680</u>	<u>\$ 2,811,278</u>	<u>\$ 60,817</u>	<u>\$ 4,953,446</u>
Displayed As:					
Cash	\$ 72,671	\$ 1,928,021	\$ 2,666,946	\$ 60,817	\$ 4,728,455
Internal Balances	-	-	-	-	-
Restricted Cash	-	80,659	144,332	-	224,991
Internal Balances	-	-	-	-	-
	<u>\$ 72,671</u>	<u>\$ 2,008,680</u>	<u>\$ 2,811,278</u>	<u>\$ 60,817</u>	<u>\$ 4,953,446</u>
Noncash Capital Activity:					
Capital Lease issues for new equipment	\$ -	\$ -	\$ -	\$ -	\$ -

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

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

	Garbage	Water	Sewer	Non-major Storm Drain	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Operating Income (Loss)	\$ 43,112	\$ 595,104	\$ 1,301,206	\$ 39,208	\$ 1,978,630
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:					
Depreciation	-	167,448	576,739	-	744,187
(Increase) Decrease in Accounts Receivable	9,094	(4,994)	(10,331)	-	(6,231)
(Increase) Decrease in Prepaid Expense	-	14,332	4,188	-	18,520
(Increase) Decrease in Deferred Outflows	-	(23,707)	(23,707)	-	(47,414)
Increase (Decrease) in Accounts Payable	(11,447)	20,024	22,702	155	31,434
Increase (Decrease) in Customer Deposits	-	(761)	-	-	(761)
Increase (Decrease) in Salaries and Benefits Payable	-	478	149	-	627
Increase (Decrease) in Compensated Absences	-	805	194	-	999
Increase (Decrease) in Net Pension Liability	-	117,829	117,829	-	235,658
Increase (Decrease) in Deferred Inflows	-	(37,220)	(37,220)	-	(74,440)
Net Cash Provided (Used) by Operating Activities	<u>\$ 40,759</u>	<u>\$ 849,338</u>	<u>\$ 1,951,749</u>	<u>\$ 39,363</u>	<u>2,881,209</u>

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. The component unit column in the government-wide statements is the financial data of the Middleton Urban Renewal Agency (the Agency). The Agency is a separate and distinct legal entity created by State statute. The directors are appointed by the Mayor and approved by the City Council. The Agency provides urban development services for the citizens of the City. Complete financial statements can be obtained from the City of Middleton.

B. Basis of Presentation, Basis of Accounting

Basis of Presentation

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

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

- Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- Indirect expenses—expenses of the general government related to the administration and support of the City’s programs, such as personnel and accounting (but not interest on long-term debt)—are allocated to programs based on their percentage of total primary government expenses. Interest expenses are allocated to the programs that manage the capital assets financed with long-term debt.
- Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes and state formula aid, are presented as general revenues.

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

The City reports the following major governmental funds:

- *General fund.* This is the City’s primary operating fund. It accounts for all financial resources of the City, except those required to be accounted for in another fund.
- *Streets & Alleys fund.* This fund accounts for the activities related to the City’s roads and streets.
- *Impact fees.* This fund accounts for the activities related to impact fees.
- *Capital Projects fund.* This fund accounts for the activities related to capital outlay and capital projects taken on by the City.

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

The City reports the following major enterprise funds:

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting

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

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

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

Fund Balance Reporting in Governmental Funds

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

C. Assets and Liabilities

Cash Equivalents

The City requires all cash belonging to the City to be placed in custody of the Treasurer. A "Pooled Cash" concept is therefore used in maintaining the cash and investment accounts in the accounting records. Under this method, all cash is pooled for investment purposes and each fund has equity in the pooled amount. All amounts included in the pooled cash and investment accounts are considered to be cash and cash equivalents. See Note 2.

Receivables

All trade receivables are shown net of an allowance for doubtful accounts. As of September 30, 2020, there were no allowances in any of the funds.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property Tax Calendar

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

Capital Assets

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

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

	Capitalization <u>Policy</u>	Depreciation <u>Method</u>	Estimated <u>Useful Life</u>
Buildings and Improvements	\$5,000	Straight-Line	8 – 40 Years
Equipment and Vehicles	\$5,000	Straight-Line	5 – 20 Years

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

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

Compensated Absences

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

Pensions

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of Estimates

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

2. CASH AND INVESTMENTS

Deposits

As of September 30, 2020, the carrying amount of the City's deposits was \$2,667,474 and the respective bank balances totaled \$2,671,703 . \$1,917,469 of the bank balance was not insured through the Federal Depository Insurance Corporation (FDIC).

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned. As of September 30, 2020, \$1,917,469 of the City's deposits were not covered by the federal depository insurance or by collateral held by the City's agent or pledging financial institution's trust department or agent in the name of the City. The City also had \$750 of petty cash on hand. The City does not have a formal policy limiting its exposure to custodial credit risk.

Custodial Credit Risk – Investments

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

Interest Rate Risk

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

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

2. CASH AND INVESTMENTS (continued)

Investments

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

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

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

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

Investment Type	Fair Value	Maturity (In Years)
		Less Than 1
Money Market Funds	\$4,782,531	\$ 4,782,531
External Investment Pool	1,314,448	1,314,448
	<u>\$6,096,979</u>	<u>\$ 6,096,979</u>

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

	Governmental Activities	Business-type Activities	Total
Cash and cash equivalents	\$ 883,112	\$ 1,704,453	\$2,587,565
Restricted Cash and Investments	-	224,991	224,991
Investments categorized as deposits	<u>2,928,685</u>	<u>3,024,002</u>	<u>5,952,687</u>
	<u>\$ 3,811,797</u>	<u>\$ 4,953,446</u>	<u>\$8,765,243</u>

The City has set aside \$224,991 in accordance with debt restrictions.

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

3. DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units consist of state revenue sharing of \$96,971.

4. PROPERTY TAXES

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

5. PENSION PLAN

Plan Description

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

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

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.

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

5. PENSION PLAN (continued)

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 and earnings from investments. 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) if current rates are actuarially determined to be inadequate or in excess to accumulate sufficient assets to pay benefits when due.

The contribution rates for employees are set by statute at 60% of the employer rate for general employees and 72% for police and firefighters. As of June 30, 2020, it was 7.16% for general employees and 8.81% for police and firefighters. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.94% for general employees and 12.28% for police and firefighters. The City of Middleton, Idaho's contributions were \$217,943 the year ended September 30, 2020.

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

At September 30, 2020, the City of Middleton, Idaho reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City of Middleton, Idaho's proportion of the net pension liability was based on the City of Middleton Idaho's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2020, the City of Middleton, Idaho's proportion was 0.0512603 percent.

For the year ended September 30, 2020, the City of Middleton recognized pension expense/ (revenue) of \$538,135. At September 30, 2020, the City of Middleton, Idaho reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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

5. PENSION PLAN (continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 93,001	\$ 38,866
Changes in assumptions or other inputs	20,131	-
Net difference between projected and actual earnings on pension plan investments	136,436	-
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	71,543	-
City of Middleton, Idaho's contributions subsequent to the measurement date	58,304	-
Total	\$ 379,415	\$ 38,866

\$58,304 reported as deferred outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2020.

The average of the expected remaining service lives of all employees that are provided with pensions through the System (active and inactive employees) determined at July 1, 2019, the beginning of the measurement period ended June 30, 2019, is 4.8 years and 4.8 for the measurement period June 30, 2020.

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

For the Year Ended September 30:	PERSI
2021	\$ 104,495
2022	79,337
2023	68,054
2024	88,663

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

5. PENSION PLAN (continued)

Actuarial Assumptions

Valuations are based on actuarial assumptions, the benefit formulas, and employee groups. Level percentages of payroll normal costs are determined using the Entry Age Normal Cost Method. Under the Entry Age Normal Cost Method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated as a level percentage of each year's earnings of the individual between entry age and assumed exit age. The Base Plan amortizes any unfunded actuarial accrued liability based on a level percentage of payroll. The maximum amortization period for the Base Plan permitted under Section 59-1322, Idaho Code, is 25 years.

The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

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

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

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

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

5. PENSION PLAN (continued)

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

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are as of January 1, 2017.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Nominal Rate of Return (Arithmetic)</u>	<u>Long-Term Expected Real Rate of Return (Arithmetic)</u>
Core Fixed Income	30.00%	2.80%	0.55%
Broad US Equities	55.00%	8.55%	6.30%
Developed Foreign Equities	15.00%	8.70%	6.45%
Assumed Inflation - Mean		2.25%	2.25%
Assumed Inflation - Standard Deviation		1.50%	1.50%
Portfolio Arithmetic Mean Return		6.85%	4.60%
Portfolio Standard Deviation		12.33%	12.33%
Portfolio Long-Term (Geometric) Expected Rate of Return		6.25%	3.89%
Assumed Investment Expenses		0.40%	0.40%
Portfolio Long-Term (Geometric) Expected Rate of Return, Net of Investme		5.85%	3.49%

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

5. PENSION PLAN (continued)

Discount Rate

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

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

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

	1% Decrease (6.05%)	Current Discount Rate (7.05%)	1% Increase (8.05%)
Employer's proportionate share of the net pension liability (asset)	\$ 2,441,045	\$ 1,190,332	\$ 156,196

Pension plan fiduciary net position

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

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

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

6. COMPENSATED ABSENCES

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

	<u>9/30/2019</u>	<u>Earned</u>	<u>Used</u>	<u>9/30/2020</u>	<u>Current</u>
Governmental Activities	\$ 25,217	\$ 51,869	\$ (46,202)	\$ 30,884	\$ 30,884
Business-type Activities	<u>15,339</u>	<u>32,692</u>	<u>(31,693)</u>	<u>16,338</u>	<u>16,338</u>
	<u>\$ 40,556</u>	<u>\$ 84,561</u>	<u>\$ (77,895)</u>	<u>\$ 47,222</u>	<u>\$ 47,222</u>

7. CAPITAL ASSETS

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

	<u>9/30/2019</u>	<u>Additions</u>	<u>Disposals</u>	<u>9/30/2020</u>
<u>Governmental Activities:</u>				
Capital Assets Not Being Depreciated:				
Land	\$ 1,510,450	\$ -	\$ -	\$ 1,510,450
Construction in Progress	<u>335,212</u>	<u>-</u>	<u>-</u>	<u>335,212</u>
Total	<u>1,725,661</u>	<u>-</u>	<u>-</u>	<u>1,845,662</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	9,700,093	1,065,332	(429,199)	10,336,226
Equipment	<u>1,859,850</u>	<u>286,305</u>	<u>(280,026)</u>	<u>1,866,129</u>
Total Historical Cost	<u>10,707,072</u>	<u>1,351,637</u>	<u>(709,225)</u>	<u>12,202,355</u>
Less: Accumulated Depreciation				
Buildings and Improvements	3,045,157	383,176	(429,199)	2,999,134
Equipment	<u>1,259,893</u>	<u>214,442</u>	<u>(268,636)</u>	<u>1,205,699</u>
Total Accumulated Depreciation	<u>3,210,556</u>	<u>597,618</u>	<u>(697,835)</u>	<u>4,204,833</u>
Net Depreciable Assets	<u>7,496,516</u>	<u>754,019</u>	<u>(11,390)</u>	<u>7,997,522</u>
Governmental Activities - Net	<u>\$ 9,222,177</u>	<u>\$ 754,019</u>	<u>\$ (11,390)</u>	<u>\$ 9,843,184</u>

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

7. CAPITAL ASSETS (continued)

	<u>9/30/2019</u>	<u>Additions</u>	<u>Disposals</u>	<u>9/30/2020</u>
<u>Business-type Activities:</u>				
Capital Assets Not Being Depreciated:				
Land and Easements	\$ 3,699,867	\$ -	\$ -	\$ 3,699,867
Capital Assets Being Depreciated:				
Buildings and Improvements	19,643,430	1,060,756	(190,979)	20,513,207
Equipment	1,863,819	174,272	(146,775)	1,891,316
Total Historical Cost	<u>20,729,519</u>	<u>1,235,028</u>	<u>(337,754)</u>	<u>22,404,523</u>
Less: Accumulated Depreciation				
Buildings and Improvements	5,921,477	609,724	(170,324)	6,360,877
Equipment	1,126,917	134,463	(114,908)	1,146,472
Total Accumulated Depreciation	<u>5,614,395</u>	<u>744,187</u>	<u>(285,232)</u>	<u>7,507,349</u>
Net Depreciable Assets	<u>15,115,124</u>	<u>490,841</u>	<u>(52,522)</u>	<u>14,897,174</u>
Business-type Activities - Net	<u>\$ 17,688,031</u>	<u>\$ 490,841</u>	<u>\$ (52,522)</u>	<u>\$ 18,597,041</u>

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

Governmental Activities:

Administrative	\$ 45,398
Highway and Streets	128,622
Public Safety	307,150
Culture and Recreation	116,448
	<u>\$ 597,618</u>

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

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

7. RISK MANAGEMENT

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

8. LONG-TERM LIABILITIES

Business-type Activities – Sewer Fund Bond Payable

The City issued \$1,200,000 of Series 2002 Revenue Bonds dated July 23, 2002, this bond was paid off in 2020. Bearing interest at 4.5% per annum. Payments are due in July of each year. The Bonds were issued to pay for sewer system upgrades.

The City issued \$2,800,000 of Series 2013 Revenue Bonds dated September 23, 2013, with a maturity date of September 23, 2043, and bearing interest at 2.75% per annum. Payments are due in September of each year. The Bonds were issued to pay for sewer system upgrades.

Business-type Activities – Sewer Fund Note Payable

Changes in long-term obligations for the year ended September 30, 2020, are as follows:

Business-type Activities:

Description	Rate	9/30/2019	Increase	Decrease	9/30/2020	Current Portion
USDA Loan 92-01	4.50%	\$ 252,595	\$ -	\$ (252,595)	\$ -	\$ -
USDA Loan 92-02	2.750%	2,406,019	-	(72,126)	2,333,893	74,110
		<u>\$ 2,658,614</u>	<u>\$ -</u>	<u>\$ (324,721)</u>	<u>\$ 2,333,893</u>	<u>\$ 74,110</u>

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

8. LONG-TERM LIABILITIES (continued)

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

Year Ending September 30,	Bonds	
	Principal	Interest
2021	\$ 74,110	\$ 64,182
2022	76,148	62,144
2023	78,242	60,050
2024	80,394	57,898
2025	82,605	55,687
2026-2030	448,373	243,087
2031-2035	513,509	177,951
2036-2040	588,108	103,352
2041-2043	392,404	21,758
	<u>\$2,333,893</u>	<u>\$ 846,109</u>

There was \$76,659 of interest expense for the year ended September 30, 2020. No interest was capitalized during the year.

9. TRANSFERS

During the year ended September 30, 2020 the following transfers took place between funds:

\$ 154,000	To the Street Fund from the Construction Fund to reimburse expenses.
229,440	To the Street Fund from the Impact Fees Fund to reimburse expenses.
131,965	To the General Fund from the Impact Fees Fund to reimburse expenses.
64,733	To the General Fund from the Street Fund to reimburse expenses.
26,987	To the General Fund from the Garbage Fund to reimburse expenses.
109,764	To the General Fund from the Water Fund to reimburse expenses.
109,764	To the General Fund from the Sewer Fund to reimburse expenses.
11,486	To the General Fund from the Library Fund to reimburse expenses.
524,588	To the Sewer Fund from the Construction Fund to reimburse expenses.
338,016	To the Water Fund from the Construction Fund to reimburse expenses.
<u>\$ 1,700,743</u>	

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

10. MUNICIPAL LEASE

The City leases certain vehicles under long-term lease agreements. Certain leases have been recorded as municipal leases. The municipal leases consist of:

<u>Governmental Activities:</u>	
Equipment	\$ 542,352
Less: accumulated amortization (included as depreciation on the accompanying financial statements) by function	
Public Safety	<u>(245,451)</u>
	<u>\$ 296,901</u>

Changes in long-term obligations for the year ended September 30, 2020, are as follows:

<u>Description</u>	<u>Maturity</u>	<u>Rate</u>	<u>9/30/2019</u>	<u>Increase</u>	<u>Decrease</u>	<u>9/30/2020</u>	<u>Current</u>
<u>Governmental Activities:</u>							
Lease - Police Vehicles	2021	5.12%	\$ 96,344	\$ -	\$ (46,970)	\$ 49,374	\$ 49,374
Lease - Police Vehicles	2023	5.40%	-	237,521	(63,222)	174,299	55,071
Lease - Loader	2024	4.40%	18,946	-	(3,901)	15,045	4,073
			<u>\$ 115,290</u>	<u>\$ 237,521</u>	<u>\$ (114,093)</u>	<u>\$ 238,718</u>	<u>\$ 108,518</u>
<u>Business Type Activities</u>							
Lease - Loader	2024	4.40%	\$ 75,782	\$ -	\$ (15,606)	\$ 60,176	\$ 16,291

Future minimum lease requirements as of September 30, 2020, are as follows:

<u>Year Ending</u> <u>September 30,</u>	<u>Governmental Activities</u>			<u>Business Type Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total Payment</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payment</u>
2021	\$ 108,518	\$ 12,546	\$ 121,064	\$ 16,291	\$ 2,411	\$ 18,702
2022	62,295	6,868	69,163	16,998	1,704	18,702
2023	65,616	3,548	69,164	17,735	967	18,702
2024	2,289	49	2,338	9,152	198	9,350
	<u>\$ 238,718</u>	<u>\$ 23,011</u>	<u>\$ 261,729</u>	<u>\$ 60,176</u>	<u>\$ 5,280</u>	<u>\$ 65,456</u>

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

11. COMPONENT UNIT

The Middleton Urban Renewal Agency (the Agency) is a separate and distinct legal entity of the City of Middleton created by and existing under the Idaho Urban Renewal Law of 1965, as amended. The Directors for the Agency are appointed by the Mayor and approved by the City Council. The Agency provides urban renewal services for the citizens of the City.

The following is a summary of the disclosures required for a fair presentation of the component unit in the City's financial statements.

A summary of long-term liability activity for the year ended September 30, 2020, is as follows:

Governmental Activities:	Rate	Beginning	Increase	Decrease	Ending	Estimated Current
Note Payable - CJM LP	3.396%	\$ 97,817	\$ -	\$ (45,131)	\$ 52,686	\$ 3,624
Note Payable - Middleton Village Project	4.110%	289,985	-	-	289,985	8,271
		<u>\$ 387,802</u>	<u>\$ -</u>	<u>\$ (45,131)</u>	<u>\$ 342,671</u>	<u>\$ 11,895</u>

12. RELATED PARTY TRANSACTIONS

Middleton Urban Renewal Agency (the Agency) is a component unit of the City. The capital assets constructed from the Agency's activities are contributed to the City. In the current year, there was no work for assets transferred from the Agency to the City. There are no amounts payable between the Agency and the City as of September 30, 2020.

REQUIRED SUPPLEMENTARY INFORMATION

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

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues				
Property Taxes	\$ 948,821	\$ 948,821	\$ 859,859	\$ (88,962)
Intergovernmental	488,038	488,038	584,182	96,144
Charges for Services	949,499	949,499	1,020,487	70,988
Interest Earned	1,500	1,500	21,419	19,919
Other	158,240	158,240	168,054	9,814
Total Revenues	<u>2,546,098</u>	<u>2,546,098</u>	<u>2,654,001</u>	<u>107,903</u>
Expenditures				
Current:				
Administrative	847,588	847,588	809,937	37,651
Public Safety	47,572	47,572	39,559	8,013
Building	274,983	274,983	341,551	(66,568)
Police	1,197,512	1,197,512	1,085,836	111,676
Parks	134,319	134,319	145,664	(11,345)
Capital Outlay	308,450	308,450	413,420	(104,970)
Operating Reserve	166,546	166,546	-	166,546
Total Expenditures	<u>2,976,970</u>	<u>2,976,970</u>	<u>2,835,967</u>	<u>141,003</u>
Excess (Deficiency of Revenues Over Expenditures)	<u>(430,872)</u>	<u>(430,872)</u>	<u>(181,966)</u>	<u>(33,100)</u>
Other Financing Sources (Uses)				
Proceeds From Lease	-	-	237,521	237,521
Transfers In	307,632	307,632	454,699	147,067
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>307,632</u>	<u>307,632</u>	<u>692,220</u>	<u>384,588</u>
Net Change in Fund Balances	<u>(123,240)</u>	<u>(123,240)</u>	<u>510,254</u>	<u>633,494</u>
Fund Balances - Beginning	<u>123,240</u>	<u>123,240</u>	<u>1,041,598</u>	<u>918,358</u>
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,551,852</u>	<u>\$ 1,551,852</u>

City of Middleton, Idaho
 Budgetary (GAAP Basis) Comparison Schedule
 Streets & Alleys Fund
 For the Year Ended September 30, 2020

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues				
Property Taxes	\$ 938,079	\$ 938,079	\$ 1,048,427	\$ 110,348
Intergovernmental	469,972	469,972	528,389	58,417
Grants and Contributions	250,000	250,000	139,933	(110,067)
Charges for Services	36,000	36,000	45,432	9,432
Developer Participation	350,000	350,000	-	(350,000)
Interest Earned	-	-	(362)	(362)
Other	500	500	16,307	15,807
Total Revenues	<u>2,044,551</u>	<u>2,044,551</u>	<u>1,778,126</u>	<u>(266,425)</u>
Expenditures				
Current:				
Streets & Alleys	1,231,578	1,231,578	796,451	435,127
Capital Outlay	1,131,680	1,131,680	701,875	429,805
Total Expenditures	<u>2,363,258</u>	<u>2,363,258</u>	<u>1,498,326</u>	<u>864,932</u>
Excess (Deficiency of Revenues Over Expenditures)	<u>(318,707)</u>	<u>(318,707)</u>	<u>279,800</u>	<u>598,507</u>
Other Financing Sources (Uses)				
Proceeds From Lease	-	-	-	-
Transfers In	383,440	383,440	383,440	-
Transfers Out	(64,733)	(64,733)	(64,733)	-
Total Other Financing Sources (Uses)	<u>318,707</u>	<u>318,707</u>	<u>318,707</u>	<u>-</u>
Net Change in Fund Balances	-	-	598,507	598,507
Fund Balances - Beginning	-	-	792,759	792,759
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,391,266</u>	<u>\$ 1,391,266</u>

City of Middleton, Idaho
 Budgetary (GAAP Basis) Comparison Schedule
 Impact Fees
 For the Year Ended September 30, 2020

	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
Revenues				
Charges for Services	<u>467,040</u>	<u>467,040</u>	<u>899,480</u>	<u>432,440</u>
Total Revenues	<u>467,040</u>	<u>467,040</u>	<u>899,480</u>	<u>432,440</u>
Other Financing Sources (Uses)				
Transfers Out	<u>(467,040)</u>	<u>(467,040)</u>	<u>(361,405)</u>	<u>105,635</u>
Total Other Financing Sources (Uses)	<u>(467,040)</u>	<u>(467,040)</u>	<u>(361,405)</u>	<u>105,635</u>
Net Change in Fund Balances	-	-	538,075	538,075
Fund Balances - Beginning	-	-	99,298	99,298
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 637,373</u>	<u>\$ 637,373</u>

City of Middleton, Idaho
 Budgetary (GAAP Basis) Comparison Schedule
 Capital Project Fund
 For the Year Ended September 30, 2020

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues				
Grants and Contributions	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
Expenditures				
Current:				
Administrative	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency of Revenues Over Expenditures)	-	-	-	-
Other Financing Sources (Uses)				
Transfers In	-	-	-	-
Transfers Out	-	-	(1,016,604)	(1,016,604)
Total Other Financing Sources (Uses)	-	-	(1,016,604)	(1,016,604)
Net Change in Fund Balances	-	-	(1,016,604)	(1,016,604)
Fund Balances - Beginning	-	-	1,016,604	1,016,604
Fund Balances - Ending	\$ -	\$ -	\$ -	\$ -

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

1. BUDGETS AND BUDGETARY ACCOUNTING

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

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

City of Middleton, Idaho
Schedule of Required Supplemental Information
Public Employees Retirement System of Idaho
Last 10 - Fiscal Years*

Schedule of the City's Proportionate Share of Net Pension Liability

Year	City proportion of the net pension liability (asset)	City's proportionate share of the net pension liability (asset)	City's covered employee payroll	City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability
2020	0.0512603%	\$ 1,190,332	\$ 1,813,345	65.64%	88.22%
2019	0.0469332%	535,729	1,626,417	32.94%	93.79%
2018	0.0450131%	663,951	1,471,661	45.12%	87.26%
2017	0.0410020%	644,481	1,354,934	47.57%	87.26%
2016	0.0350760%	711,044	1,101,439	64.56%	82.26%
2015	0.0275714%	363,070	821,028	44.22%	91.38%

Data reported is measured as of June 30, 2020

Schedule of City Contributions

Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	City's Covered- Employee Payroll	Contributions as a Percentage of Covered- Employee Payroll
2020	\$ 218,499	\$ 218,499	-	\$ 1,813,345	12.05%
2019	187,953	187,953	-	1,626,417	11.56%
2018	168,169	168,169	-	1,471,661	11.43%
2017	154,823	154,823	-	1,354,934	11.43%
2016	125,442	125,442	-	1,101,439	11.39%
2015	93,306	93,306	-	821,028	11.36%

Data reported is measured as of September 30, 2020

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

SUPPLEMENTAL INFORMATION

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

	Budget	Actual	Variance
Taxes:			
Property Taxes	\$ 948,821	\$ 859,859	\$ (88,962)
Total Taxes	<u>948,821</u>	<u>859,859</u>	<u>(88,962)</u>
Intergovernmental:			
State Liquor Apportionment	82,960	95,397	12,437
State Revenue Sharing	331,368	403,906	72,538
State Sales Tax	73,710	84,879	11,169
Total Intergovernmental	<u>488,038</u>	<u>584,182</u>	<u>96,144</u>
Charges for Services:			
Beer, Wine, and Liquor Licenses	2,208	2,590	382
Building Permits	538,655	764,535	225,880
Business Permits	-	2,990	2,990
Franchise Fees	42,516	46,653	4,137
Rent	20,700	14,825	(5,875)
Fines and Fees	107,820	188,894	81,074
Total Licenses and Permits	<u>949,499</u>	<u>1,020,487</u>	<u>70,988</u>
Other:			
Reimbursements	138,240	123,579	(14,661)
Interest Earned	1,500	21,419	19,919
Miscellaneous Revenue	20,000	44,475	24,475
Total Other	<u>159,740</u>	<u>189,473</u>	<u>29,733</u>
Proceeds From Debt	<u>-</u>	<u>237,521</u>	<u>237,521</u>
Total Revenue	<u><u>\$ 2,546,098</u></u>	<u><u>\$ 2,891,522</u></u>	<u><u>\$ 107,903</u></u>

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

	Budget	Actual	Variance
Administrative:			
Salaries	\$ 349,128	\$ 306,870	\$ 42,258
Benefits	178,813	113,615	65,198
Supplies	7,500	4,374	3,126
Repairs and Maintenance	12,600	14,588	(1,988)
Professional Fees	207,000	283,105	(76,105)
Other Services and Charges	92,547	87,385	5,162
Total Administrative	<u>847,588</u>	<u>809,937</u>	<u>37,651</u>
Public Safety:			
Code Enforcement	29,572	25,059	4,513
Professional Fees	18,000	14,500	3,500
Total Public Safety	<u>47,572</u>	<u>39,559</u>	<u>8,013</u>
Building Inspection:			
Salaries	67,995	72,905	(4,910)
Benefits	32,371	31,075	1,296
Supplies	3,500	6,421	(2,921)
Repairs and Maintenance	27,815	23,189	4,626
Professional Fees	83,004	135,358	(52,354)
Other Services and Charges	60,298	72,603	(12,305)
Total Building Inspection	<u>\$ 274,983</u>	<u>\$ 341,551</u>	<u>\$ (66,568)</u>

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

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Police:			
Salaries	\$ 670,182	\$ 633,479	\$ 36,703
Benefits	296,784	229,216	67,568
Supplies	8,500	3,226	5,274
Repairs and Maintenance	7,000	12,351	(5,351)
Professional Fees	4,000	-	4,000
Other Services and Charges	111,046	91,165	19,881
Lease Payments	100,000	116,399	(16,399)
Capital Outlay	28,700	281,455	(252,755)
Total Police	<u>1,226,212</u>	<u>1,367,291</u>	<u>(141,079)</u>
Parks:			
Salaries	46,296	48,175	(1,879)
Benefits	29,303	27,688	1,615
Supplies	850	8,196	(7,346)
Repairs and Maintenance	18,900	9,631	9,269
Professional Fees	6,667	9,130	(2,463)
Other Services and Charges	32,303	42,844	(10,541)
Capital Outlay	279,750	131,965	147,785
Total Parks	<u>414,069</u>	<u>277,629</u>	<u>136,440</u>
Operating Reserve	<u>166,546</u>	<u>-</u>	<u>166,546</u>
Total Expenditures	<u><u>\$ 2,976,970</u></u>	<u><u>\$ 2,835,967</u></u>	<u><u>\$ 141,003</u></u>

FEDERAL REPORTS



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

Honorable Mayor
and City Council
City of Middleton, 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 discretely presented component unit, each major fund, and the remaining fund information of the City of Middleton, Idaho, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City of Middleton, Idaho's basic financial statements and have issued our report thereon dated April 23, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Middleton, 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 Middleton, Idaho's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Middleton, 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 over financial reporting 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 financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that 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.

Zwysart John & Associates, CPAs, PLLC

Nampa, Idaho
April 23, 2021

ORDINANCE NO. 647
Bridger Creek Annexation

AN ORDINANCE OF THE CITY OF MIDDLETON, CANYON COUNTY, IDAHO, ANNEXING TO THE CITY OF MIDDLETON, IDAHO, CERTAIN REAL PROPERTY SITUATED IN THE UNINCORPORATED AREA OF CANYON COUNTY, IDAHO, AND CONTIGUOUS TO THE CORPORATE LIMITS OF THE CITY OF MIDDLETON, IDAHO; ESTABLISHING THE ZONING CLASSIFICATION OF SAID REAL PROPERTY TO R-3 (SINGLE-FAMILY RESIDENTIAL) AND COMPLETING A DEVELOPMENT AGREEMENT; DIRECTING THAT COPIES OF THIS ORDINANCE BE FILED AS PROVIDED BY LAW; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Middleton, Idaho, (the “City”) is a municipal corporation organized and operating under the laws of the State of Idaho and is authorized to annex to and incorporate within the boundaries of the City contiguous real property, generally located immediately east of Emmet Road, and north of Willis Road and immediately north of the West Highlands Subdivision, comprising approximately fourteen and seventy-one hundredths (14.71) acres, in the manner provided by Section 50-222, Idaho Code; and

WHEREAS, the owner of the real property currently located in the unincorporated area of Canyon County and generally located, and more particularly described in Exhibit A, attached hereto and hereby made a part of this ordinance, has requested, in writing, annexation of said real property to the City of Middleton; and

WHEREAS, the owner of the real property has requested approximately 14.71 acres be annexed into the City and be rezoned to R-3 (Single-Family Residential); and

WHEREAS, the Planning and Zoning Commission of the City, pursuant to public notice as required by law, held a public hearing on April 12, 2021, as required by Idaho Code §67-6525 and recommended that City Council approve the application to annex the real property; and

WHEREAS, the Middleton City Council, pursuant to public notice as required by law, held a public hearing on May 5, 2021, as required by Idaho Code 67-6525;

WHEREAS, the Middleton City Council, after said hearing, adopted findings of fact and conclusions of law and approved said annexation and rezone.

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF MIDDLETON, IDAHO, AS FOLLOWS:

Section 1: The Middleton City Council hereby finds and declares that the real property generally located immediately east of Emmet Road, and north of Willis Road and immediately north of the West Highlands Subdivision, comprising approximately fourteen and seventy-one

hundredths (14.71) acres, and more particularly described in Exhibit A attached, is contiguous to the City, that said annexation enables the orderly development of the City, and that the owner of said property has requested in writing, annexation thereof to the City with a zoning designation of R-3 (Single-Family Residential), with a Development Agreement.

Section 2: The real property described in attached Exhibit A is hereby annexed to and incorporated in the territorial limits of the City of Middleton, Idaho.

Section 3: From and after the effective date of this ordinance, all property and persons within the boundaries and territory described in Exhibit A shall be subject to the ordinances, resolutions, police powers, property tax and other jurisdiction of the City of Middleton, Idaho.

Section 4: The zoning classification of the land described in Exhibit A is hereby established as R-3 (Single-Family Residential), as provided by the zoning ordinance of the City and in accordance with the Comprehensive Plan. The Zoning Map is hereby amended to include the real property described in Exhibit A with a R-3 (Single-Family Residential) classification.

Section 5: The City Clerk is hereby directed to file, within ten (10) days of the passage, approval and publication of this ordinance, a certified copy of this ordinance with the offices of the Auditor, Treasurer and Assessor of Canyon County, Idaho, and with the Idaho State Tax Commission, Boise, Idaho, as required by Idaho Code §50-223, and to comply with the provisions of Idaho Code §63-2215, with regard to the preparation and filing of a map and legal description of the real property annexed by the ordinance.

Section 6: This ordinance shall take effect and be in force from and after its passage, approval and publication as required by law. In lieu of publication of the entire ordinance, a summary thereof in compliance with Idaho Code §50-901A may be published.

DATED this ____ day of June, 2021.

CITY OF MIDDLETON
Canyon County, Idaho

By: _____
Steven J. Rule, Mayor

ATTEST:

Jennica Reynolds, Deputy City Clerk

EXHIBIT A

Part of Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 36, Township 5 North, Range 3 West of the Boise Meridian, Canyon County, Idaho described as:

Commencing at a found Aluminum Cap marking the Southwest corner of Section 36, Township 5 North, Range 3 West of the Boise Meridian, Canyon County, Idaho and running thence N00°09'36"E 1357.70 feet along the West lines of Southwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of said section to a found Aluminum Cap marking the Southwest corner of the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of said Section marking the Point of Beginning; thence N00°09'06"E 277.79 feet along the west line of the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of said Section; then N89°58'58"E 614.00 feet to a set 5/8" rebar with orange plastic cap labeled "PLS 12220"; thence N00°09'06"E 380.00 feet to a set 5/8" rebar with orange plastic cap labeled "PLS 12220"; thence N89°58'58"E 713.72 feet to a found 5/8" rebar; thence S00°04'33"W 658.50 feet to a found 5/8" rebar marking the Southeast corner of the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of said Section; thence N89°59'12"W 1328.58 feet to the Point of Beginning.

Parcel Contains 640,789 square feet or 14.71 acres, more or less.



CITY OF MIDDLETON

P O BOX 487, MIDDLETON, ID 83644
208-585-3133, 208-585-9601 FAX



ADMINISTRATION

NON-AERIAL FIREWORKS APPLICATION

REV. 03/19

For retail sale of non-aerial fireworks at temporary fireworks stands within the City of Middleton.
Middleton City Code 1-15-14 and 1-15-14-2 Fireworks.

- Permit fee: \$50.00 for Non-Aerial Vendors Permit.
\$300.00 deposit, bond or letter of credit for prompt removal of structure and cleanup of debris.
- Insurance: Bond or Certificate of insurance is required and must be filed with the City prior to the issuance of permit.
Bond or valid certificate of public liability and property-casualty insurance providing coverage of at least one hundred thousand dollars (\$100,000.00) for personal injury and property damage required.

I. General Information:

Name, Cell Phone, Business Phone, and Address of Applicant:

Scott Thomson (208) 284-9354
3205 Hemlock St. Boise ID 83705

Name and Address of Business applicant is representing:

OUTLET FIREWORKS, LLC 3054 N. 3422 E.
KIMBERLY, ID

Address of location applicant has permission to sell fireworks; property owner name and phone:

206 E. Main St.
(see contract)

Applicant/Business Idaho State Sales Tax Permit number:

002560351-5

Date(s) of sale of fireworks: June 23 - July 5, 21

APPLICANT / BUSINESS REPRESENTATIVE

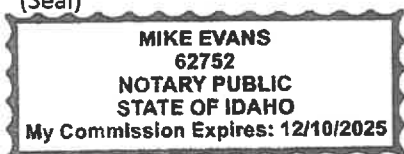
Signature

Date: 20 May 2021

Scott Thomson Manager
Print name / Business Name and Representative Title

Subscribed and sworn before me this 20 day of May, 2021.

(Seal)



Notary Public for the State of Idaho

Residing at:

Commission expires:

Boise, ID
12-10-25



CITY OF MIDDLETON

P O Box 487, MIDDLETON, ID 83644
208-585-3133, 208-585-9601 FAX

ADMINISTRATION

NON-AERIAL FIREWORKS APPLICATION

REV. 03/19

OFFICE USE ONLY

Application Received: 5-20-2021

Fee Received: \$50.00 Rec 3/11/09/17

Deposit Received: 300.00 / check # 2056

Insurance Certificate Received: yes

Application Approved by City Council: _____

Application Denied: _____

FIRE INSPECTION:

Date: _____ By: _____

Permit is hereby issued this _____ day of _____, 20____.

City Clerk

Notes: _____

DRAYTON INSURANCE BROKERS, INC.

2500 CENTER POINT ROAD, SUITE 301
BIRMINGHAM, ALABAMA 35215
PHONE: (205) 854-5806
FAX: (205) 854-5899

POST OFFICE BOX 94067
BIRMINGHAM, ALABAMA 35220
EMAIL: dib@draytonins.com

CERTIFICATE OF INSURANCE

NO. 150221

We certify that insurance is afforded as stated below. This Certificate does not affirmatively or negatively amend, extend or alter the coverage afforded by the insurance policy and the insurance afforded is subject to all the terms, exclusions and conditions of the policy.

INSURER Admiral Insurance Company **POLICY NO.** CA000003209-31-1104

NAMED INSURED Outlet Fireworks LLC
1619 Brookfield Ct.
Twin Falls, Idaho 83301

POLICY TERM April 1, 2021 to April 1, 2022; Both Days 12:01 A.M. Standard Time

COVERAGE Commercial General Liability: ☒ Occurrence Basis ☐ Claims Made Basis

LIMIT OF LIABILITY \$2,000,000 each occurrence, \$3,000,000 general aggregate, \$3,000,000 products/completed operations aggregate
The limit of liability shall not be increased by the inclusion of more than one insured or additional insured.

INSURED OPERATIONS The sale of consumer fireworks (1.4G) and related products at the Insured location.

It is certified that, if named below, this policy includes as Additional Insureds 1) the operator of the Insured location and/or 2) the owner of the property on which the Insured location is situated and/or 3) the licensing authority issuing a permit or license for the operation of the Insured location and/or 4) an entity for which the Named Insured is required by written contract to provide coverage.

**NAME(S) OF
ADDITIONAL INSURED(S)** Middleton Village
Garrett Goldberg
Middleton Village Partners

**THE CITY OF MIDDLETON ITS OFFICIALS, OFFICERS, AGENTS & VOLUNTEERS
WHEN ACTING IN THEIR OFFICIAL CAPACITY.**

**ADDRESS OF
INSURED LOCATION** 206 E Main
Middleton, ID 83644

It is certified that this policy requires a 30 day mutual notice of cancellation between the Insurer and the Named Insured. In the event of such cancellation we will endeavor to mail 10 days written notice to the Additional Insured(s), whose name and address is shown hereon, but failure to mail such notice shall impose no obligation or liability of any kind upon the insurer and/or the undersigned.

DRAYTON INSURANCE BROKERS, INC.

05/12/2021
DATE OF ISSUE


A.J. STRINGER, PRESIDENT

License Agreement

Middleton Village Partners ("Licensor"), and Outlet Fireworks ("Licensee") hereby agree as follows:

1. Premise: Portion of the parking lot located at 206 East Main St. in Middleton, Idaho, also known as the Middleton Village Center, Lot 1.
2. Purpose: Licensor is the owner of real property described above. Licensee is seeking consent to use a portion of the property for a Fireworks Stand
3. Grant of License: Licensor hereby grants to Licensee a license to use a portion of the property consisting of an area approximately 800 square feet on Lot 1 of the property. ("Licensed Site"). Licensee may not use the Licensed Site for any other purpose.
4. Rent and Term: The term of this agreement is for the defined period, commencing June 15, 2021 and expiring July 8, 2021. Licensee shall pay Licensor a total license fee of One Thousand Three Hundred Fifty and No/100 (\$1,350.00). A deposit of \$675.00 needs paid, and the remainder due by June 1, 2021. If the gross receipts from sales exceed \$8000.00, Licensee will pay an additional 12% on anything over \$8000.00. Sales receipts to be provided to Licensor by July 8, 2021.
5. Utilities: Licensor will provide access to electricity. Licensee shall be responsible for any permit fees, trash pickup and portable restrooms, if necessary. Licensee shall return premises to the same condition in which it was delivered.
6. Licensor's Liability: Licensor will not be liable for any damages to the Licensed Site, nor for any injury or damage to any person or property arising from any cause on the Licensed Site as a result of the use of the property by Licensee, its agents, employees, suppliers or invitees. Licensee will indemnify, defend (and pay all of Licensor's attorney's fees and costs), and hold Licensor harmless against any and all loss, liability, or expense arising out of any such injury or damage.
7. Insurance: Licensee shall procure and maintain at all times during the term of this License Agreement, commercial general liability insurance with a minimum combined single coverage of Five Hundred Thousand Dollars (\$500,000.00), naming Licensor as an additional insured thereon. Licensee shall provide Licensor with a Certificate of Insurance evidencing such coverage. Licensee shall be solely responsible for damages or loss to its furnishings, fixtures, and equipment at the Licensed Site.
8. Binding Effect and Governing Law: This License Agreement is intended to bind and benefit the parties hereto, their successors, and assigns. The laws of the State of Idaho shall govern it. The License Agreement constitutes the entire agreement of the parties with respect to the subject matter thereof.
9. Sale or Construction: This License Agreement may be cancelled by either party upon 60 days written notice in the event of sale of the property, or the

construction of a building on said property that would interfere with the sale of fireworks or be otherwise undesirable to the tenants of the new building. The maximum liability for contingency will be the return of the deposit money for any one year.

10. Additional Terms: Licensee shall meet all State, County, and City codes, requirements, or restrictions at the sole cost and expense of the Licensee. Licensee shall remove all equipment, stands, personal property and litter, if any, from the subject location no later than July 8th, 2021. This contract is void if city permits are denied. If for any reason permits are revoked during the term of this contract the license will pay a prorated share of the site rent based on the number of days they were 'open for business.' In the event governmental bodies prohibit the selling of fireworks on the Licensed Site, this License agreement shall be come null and void. Lessor will refund any deposits of payments for the current and future years.

Date: March __, 2021

Date: March 4 2021

Licensor:

Licensee:

Middleton Village Partners

Outlets Fireworks

P.O. Box 9325

Bruce Weaver

Boise, Idaho 83707


1619 Brookfield Ct.

Ph: 208-922-8027

Twin Falls, Idaho 83301

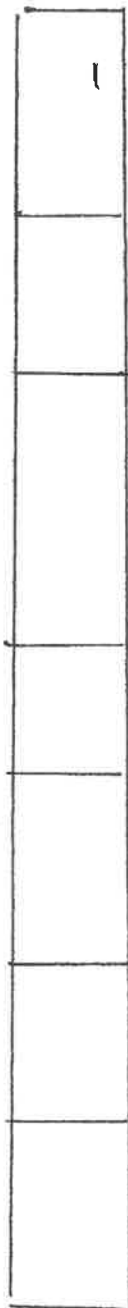
Ph: 208-734-5051

By: 
Garrett Goldberg

By: 
Scott Thompson

MEASURE
206 E. Main

MALL



SUNBATH
Rest.

Storage Unit 20' x 8'



State St.

Frieworks Rest

City of Middleton
PO Box 487
1103 W MAIN ST
Middleton ID 83644 208-585-3133

Receipt No: 3.110917 May 20, 2021

OUTLET FIREWORKS

Previous Balance:	.00
GENERAL FUND	
FIREWORKS PERMIT/6-23 TO	50.00
7-5-21/OUTLET FIREWORKS	

Total:	50.00
	=====

SunWest	
Check No: 2053	50.00
Total Applied:	50.00

Change Tendered:	.00
	=====

05/20/2021 1:39 PM



From the Office of Deputy Chief Victor Islas

May 20, 2021

City of Middleton
City Clerk
P.O. Box 487
Middleton, Idaho 83644

RE: Non-Areal Fireworks Stand Application

To Whom It May Concern:

The Middleton Rural Fire District has reviewed the application received on May 20, 2021 for a Temporary Non-Areal Fireworks stand submitted by Outlet Fireworks. The temporary stand will be located at parking lot of 206 E. Main Street.

Documents	Notes
Bond and Certificate	Reviewed by V.Islas
Site Map	Reviewed by V.Islas
Product List	Pending Review
Property Utilization Agreement	Reviewed by V.Islas
Fire District Fee	Reviewed by V.Islas

Based on our review it is our recommendation that the application be approved with the following conditions:

1. Temporary stand shall pass a Fire Safety Inspection before products are sold.

If you have any questions or would like to discuss this letter in detail, please feel free to contact my office at (208) 585-6650.

Sincerely,

Victor Islas
Deputy Chief
vislas@starfirerescue.org

Middleton Rural Fire District
302 E. Main Street
Middleton, Idaho 83644

Star Fire Protection District
11665 W. State St., Suite B
Star, Idaho 83669

PURCHASE AGREEMENT

This PURCHASE AGREEMENT is made and entered into as of this _____ day of _____, 20____, ("Effective Date"), between The Wetlands Group, LLC (hereinafter referred to as "Seller" and TWG) and City of Middleton , Idaho (hereinafter referred to as "Purchaser"). Seller agrees to sell and purchaser agrees to buy wetlands mitigation credits in accordance with and pursuant to this Purchase Agreement ("Agreement").

FOR AND IN CONSIDERATION of the covenants and conditions herein contained, the receipt and sufficiency of which is hereby acknowledged by and between the parties hereto, Seller and Purchaser agree as follows:

1. SALE:

Seller shall sell to Purchaser and Purchaser shall purchase from Seller wetland mitigation credits of 0.5 acres to compensate for wetland impacts from the Middleton Road Realignment Project. The United States Corps of Engineers project number is NWW-2019-0298-B03. See attached Exhibit A for a detailed explanation of credits required and credits purchased.

2. PAYMENTS:

Purchaser shall pay Seller for the credits in accordance with the terms and conditions of the Agreement as follows:

- A. Purchaser shall pay a sum total of \$54,450.00
- B. Purchaser shall deliver full payment to Seller within 30 days of entering into this Agreement. The purchaser reserves the right to addend this agreement to satisfy the approved amount of mitigation acres.

3. SELLER'S SERVICES:

Seller operates The Wetland Banks of Idaho and is authorized to and agrees to sell Credits to purchaser as follows:

- A. Seller shall provide wetland mitigation credits to compensate for .46 acres of unavoidable permanent wetland impacts. TWG is required to provide credits in one tenth acre increments, therefore 0.5 acres of wetland credit will be provided. The credit quantities and ecotypes are detailed in Exhibit A.

- B. Upon receipt of the consideration specified in Paragraph 2, Seller assumes the responsibility to provide the wetlands mitigation specified in Paragraph 3.A.
- C. Seller shall provide or has provided the wetlands mitigation in accordance with the terms and conditions of the Umbrella Mitigation Banking Instrument approved by the Corps.

4. **WARRANTY:**

- A. Seller's Warranty: Seller warrants that it is a duly authorized Idaho Limited Liability Corporation, is in good standing and has the authority and approval from the Corps to sell mitigation credits and warrants that the wetlands mitigation shall be in accordance with the terms and conditions of the Umbrella Mitigation Banking Instrument. Purchaser's sole remedy with respect to failure of Seller to perform in accordance with the specifications of the Umbrella Mitigation Banking Instrument shall be the Purchaser can require Seller to provide alternative wetlands mitigation as agreed to by Seller and the Corps at no additional cost to Purchaser.
- B. 1. Purchaser's Warranty: Purchaser warrants that the undersigned representative is duly authorized to enter into this Agreement. Purchaser further warrants that it has the financial capability to perform under this Agreement and to its knowledge, there are no legal impediments restricting or otherwise existing that would prevent Purchaser from performing.
- 2. Purchaser further warrants that the Corps and/or Purchaser have calculated and determined that the wetlands loss attributed to the project (Middleton Road Realignment Project); Corps Permit No. NWW-2019-0298-B03 is 0.46 acre.

5. **INSOLVENCY OF PURCHASER:**

In case of the filing of a petition in bankruptcy by or against Purchaser, or the appointment of a receiver for Purchaser, or the insolvency of Purchaser, prior to Purchaser's full performance under this Agreement, Seller may terminate this Agreement.

6. **SAVINGS AND SEVERABILITY PROVISIONS:**

The parties agree that if a portion of this Agreement or if the application of this Agreement to any person or circumstance shall to any extent be declared invalid by a court of competent jurisdiction, then the remainder of this Agreement and the application of such provisions to persons or circumstances other than those held to be

invalid shall not be affected thereby. Moreover, each provision of this Agreement shall be valid and enforced to the fullest extent permitted by applicable law.

7. **ASSIGNMENT:**

This Agreement is not assignable and the duties hereunder are not delegable without Seller's written consent.

8. **ENTIRE AGREEMENT:**

This Agreement contains the entire understanding between the parties with respect to the subject matter hereof. Furthermore, this Agreement supersedes and revokes all previous communications, negotiations, and agreements, whether oral or written, between the parties with respect to the subject matter of this Agreement. No addition, modification or deletion of or to this Agreement or any waiver of any of its provisions shall be binding on either party unless made in writing and executed by Seller and Purchaser by addendum to this Agreement.

9. **JURISDICTION:**

This Agreement shall be governed and construed for all purposes under and in accordance with the laws of the State of Idaho.

10. **NOTICE:**

Any notice required under this Agreement shall be sent to the following persons at the addresses indicated:

The Address of the Seller is:

The Wetlands Group, LLC
100 S. Star Road, Suite 112
Star, ID 83669

The Address of the Purchaser is:

City of Middleton
1103 W. Main Street
Middleton, ID 83644

IN WITNESS WHEREOF, the parties hereto have executed this Purchase Agreement, the day and year first above written.

Date: _____

Name: _____

Title: _____

The Wetlands Group, LLC

Date: _____

Name: _____

Title: _____

